

# Invest in iconic timeless luxury with the Tema Luxury ETF

Learn about the Tema Luxury ETF, which seeks to provide long-term growth by investing in companies operating in the luxury industry.

Capital at risk



## Exploring the luxury universe

Luxury goods are uniquely defined by their heritage and aspirational qualities

### LUXURY GOODS



HARD LUXURY

Cartier



SOFT LUXURY

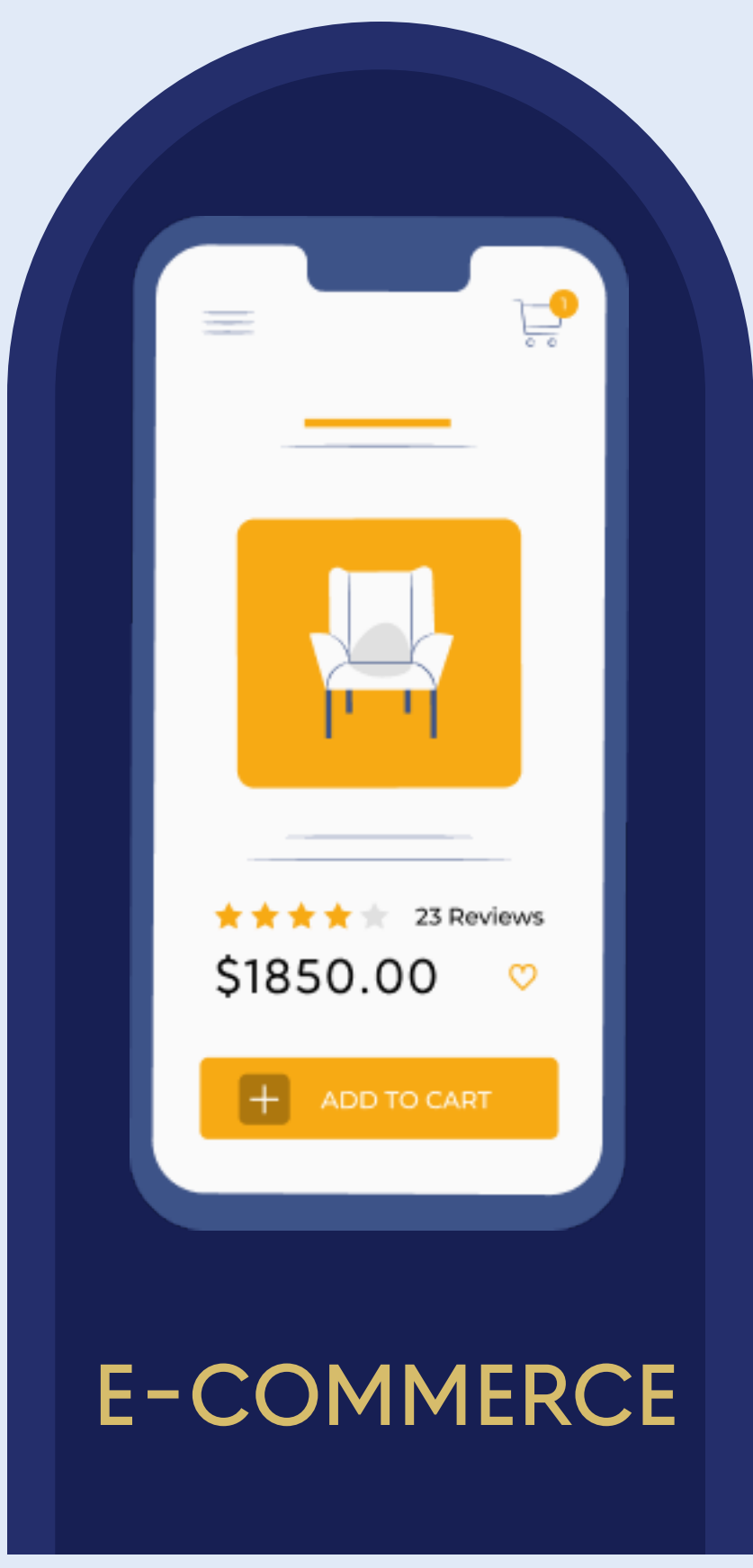
HERMÈS  
PARIS

### LUXURY ACCESSORIES



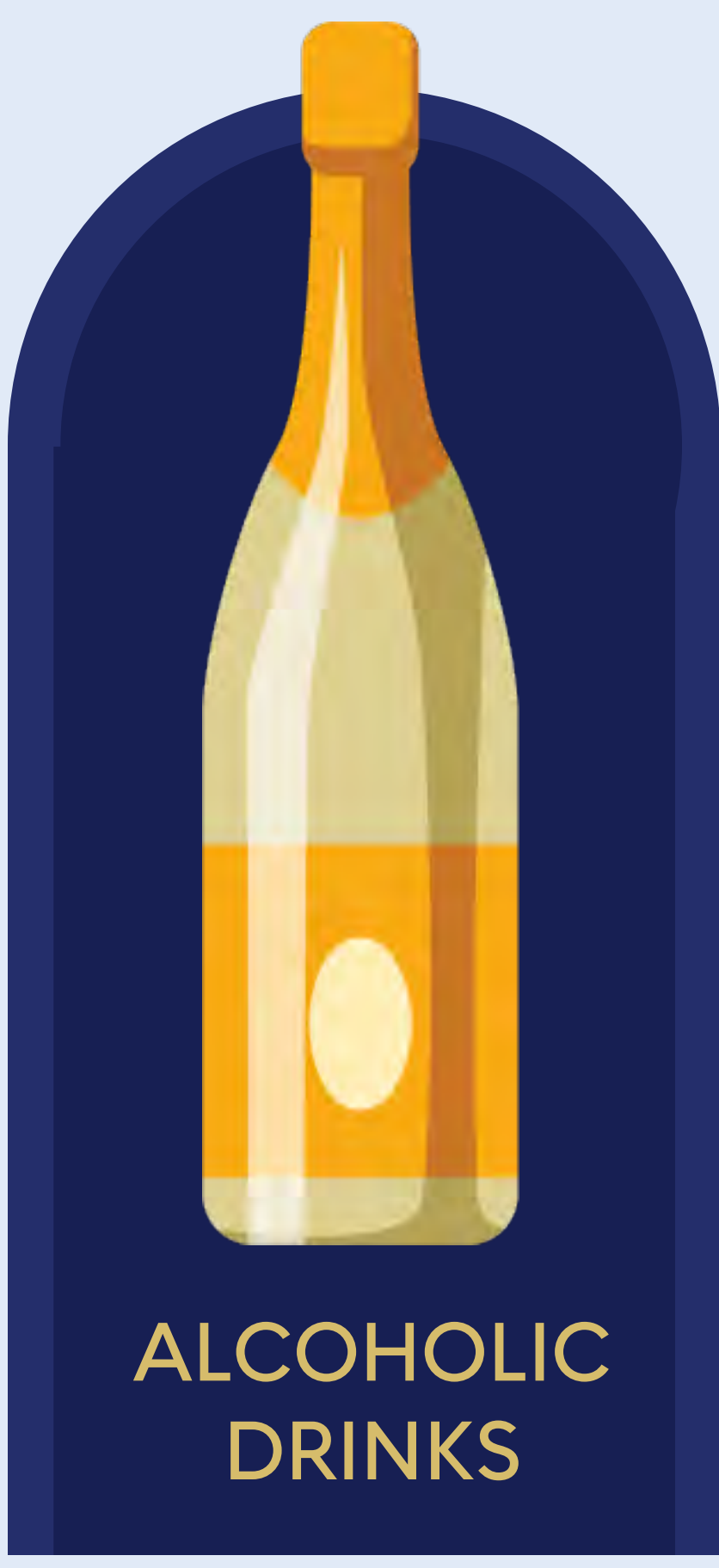
BEAUTY

ESTÉE  
LAUDER  
COMPANIES



E-COMMERCE

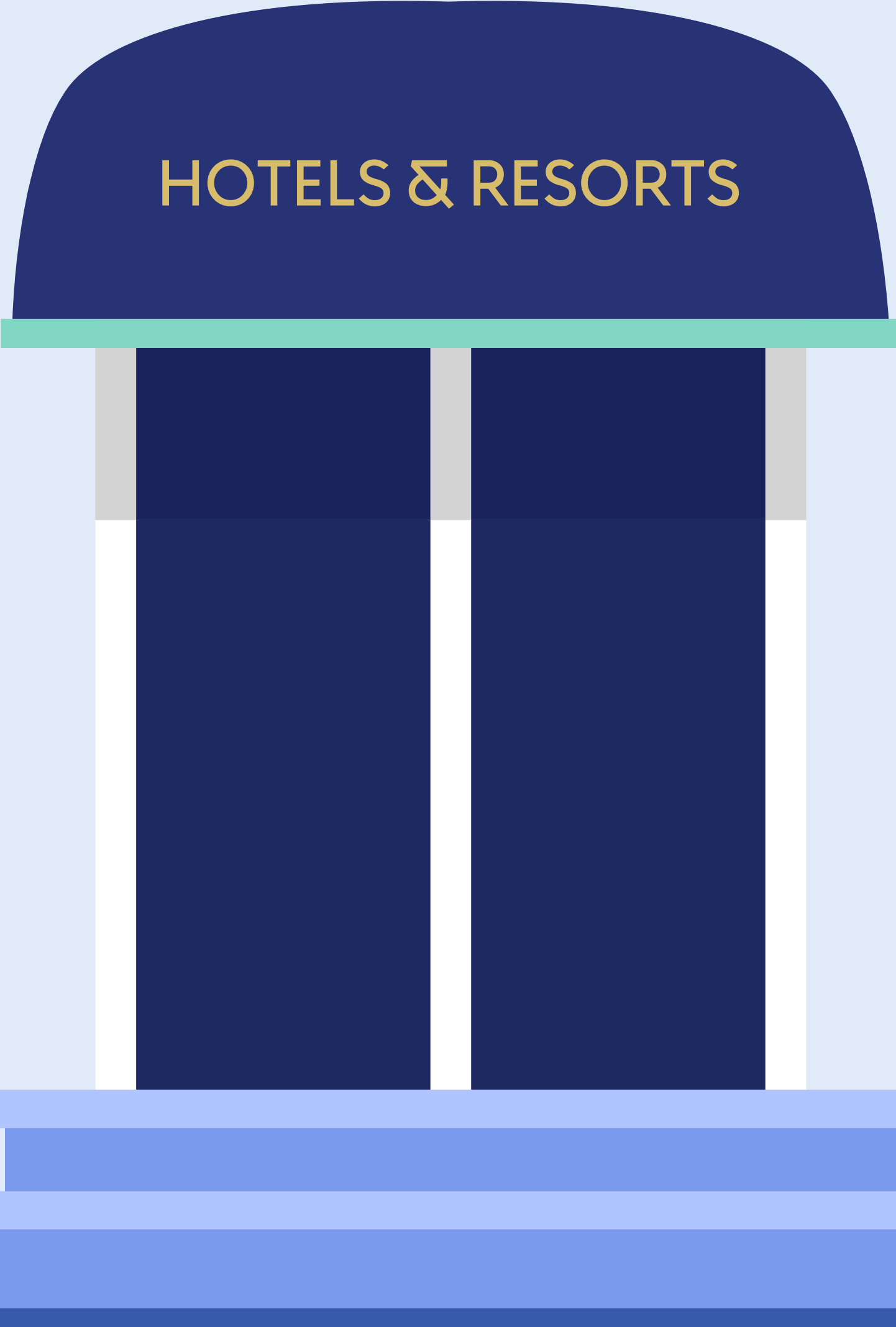
FARFETCH



ALCOHOLIC  
DRINKS

RC  
RÉMY COINTREAU

## LUXURY EXPERIENCES



HOTELS & RESORTS

FOUR SEASONS



LUXURY CARS





“

Luxury takes many forms nowadays,  
but one thing doesn't change:  
**luxury is about desire and the  
ability to create dreams.**

”

Antoine Arnault  
CEO of Christian Dior SE

## The enduring appeal...

Luxury goods are timeless and  
driven by aspirational behavior

Cars, planes, yachts

Watches & Jewelry

Leather goods

Fashion

Accessories

Beauty

ASPIRATION

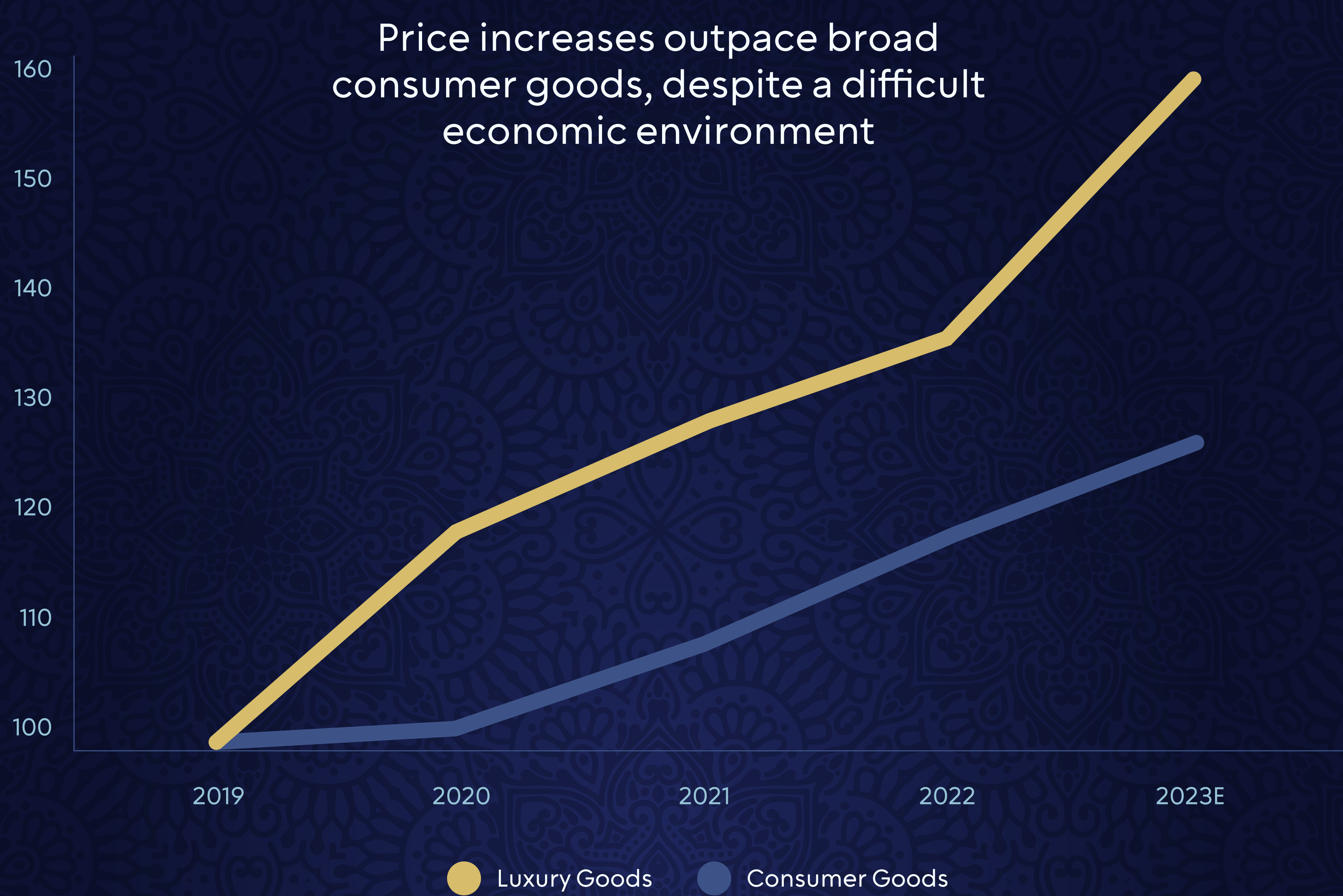
“ Quality is remembered  
long after price is  
forgotten. ”

Aldo Gucci

Source: Tema stylistic analysis

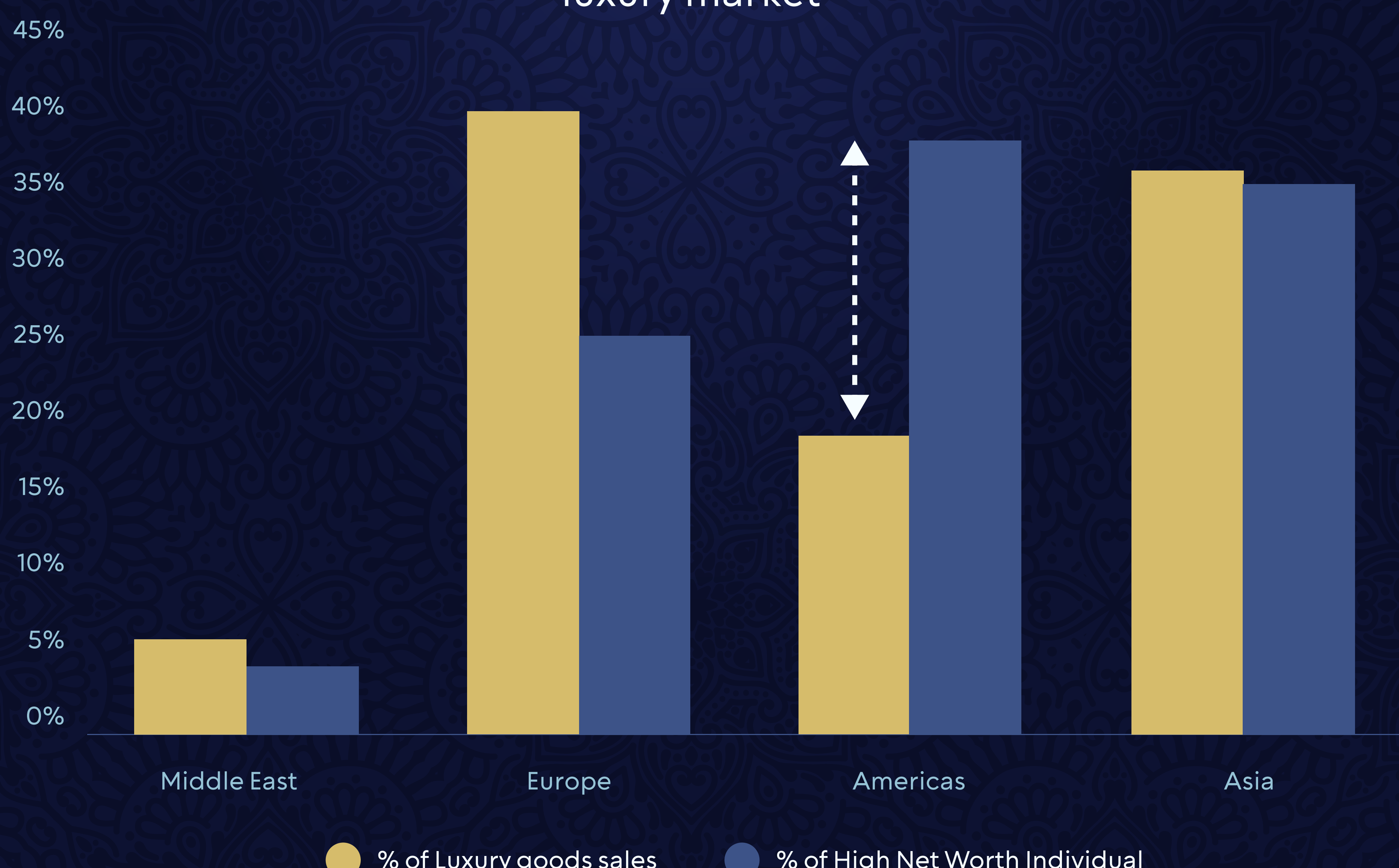
## Investing in luxury

Luxury goods can be characterized as exhibiting  
superior pricing power and potentially  
**untapped growth opportunities**



Source: Bain Luxury report, December 2021 shows luxury goods average price inflation, 2023E is Citi forecast. Consumer prices shown at global CPI inflation rate, 2023E is IMF forecast. Forecasts are inherently limited and should not be relied upon when making investment decisions. There is no guarantee projected growth will occur. Past performance does not guarantee future results. In addition, there is no guarantee it will translate to positive fund performance.

## US is still an underpenetrated luxury market



Source: % luxury goods sales (Barclays Research) and % HNWI Wealth Report by Capgemini. HNWI stands for High Net Worth Individual. It is a term used to describe individuals who have a high level of wealth, typically with investable assets exceeding \$1 million USD



If luxury customer growth continues to follow current trends, it is projected to potentially exceed 500m by 2030



Source: Bain & Company Luxury report, November 2022. Forecasts are inherently limited and should not be relied upon when making investment decisions. There is no guarantee projected growth will occur. Past performance does not guarantee future results. In addition, there is no guarantee it will translate to positive fund performance.

Why invest now?  
Defensive characteristics,  
China's growth pick up,  
corporate succession plans

Luxury is a defensive category historically

LVMH Q4 Results Call

"Our performance in 2022 illustrates the exceptional appeal of our Maisons and their ability to create desire during a year affected by economic and geopolitical challenges."

Opinion **Luxury goods**

**Luxury boom shows the staying power of the ultra-rich**

Many of our expectations about the spending patterns of the wealthy are being confounded

RANA FOROOHAR + Add to myFT

© Matt Kenyon

By Rana Foroohar JANUARY 23 2023 311

BUSINESS / MARKETS

**Traffic Rebound Signals Fast-tracked China Recovery**

Barclays expects Mainland China's luxury market to grow by 19 percent in 2023.

By DENNI HU FEBRUARY 28, 2023, 11:01AM

China is reopening

Ferragamo Q4 Results Call

"But at the same time, we are hopeful, and I think the reopening of China is an encouraging sign. And I think even though it won't be immediate, but I think we can be optimistic over time on that side as well."

Corporate successions present opportunities

Financial Times

"Prada appointed Andrea Guerra as group CEO to aid the transition of Lorenzo Bertelli, son of Miuccia Prada and Patrizio Bertelli, to eventual CEO."

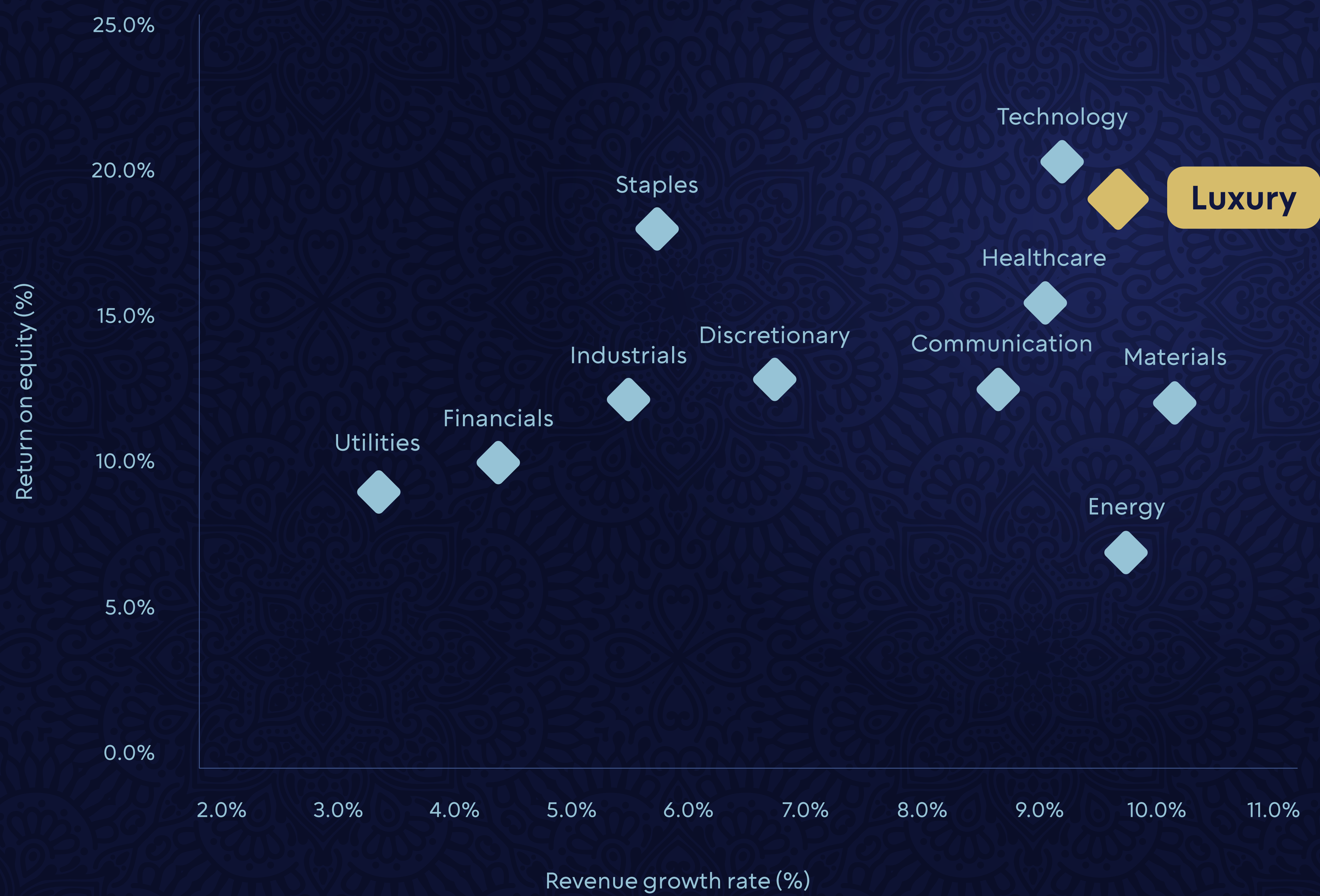
**Wealth**

**The World's Richest Person is Trying to Head Off a Succession Battle**

At 73, Bernard Arnault has a \$196 billion fortune, five children and a drive to avoid the infighting that plagues so many dynasties.

Source: WDD, Bloomberg, Company conference calls via Bloomberg, Financial Times

Could luxury stocks be the next tech stocks?



Source: Bloomberg data. For all sectors using Bloomberg global mid/large cap indices. For Luxury using Tema proprietary luxury universe. Revenue growth 5 year average (2017-2022) total growth rate. Return on equity 5 year average. Past performance does not guarantee future results.



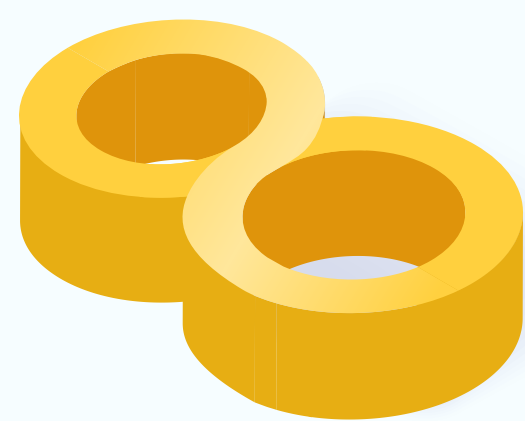
Click here to download  
LUX’s Investor Deck

[Download Deck](#)

# Introducing Tema Luxury ETF (LUX)

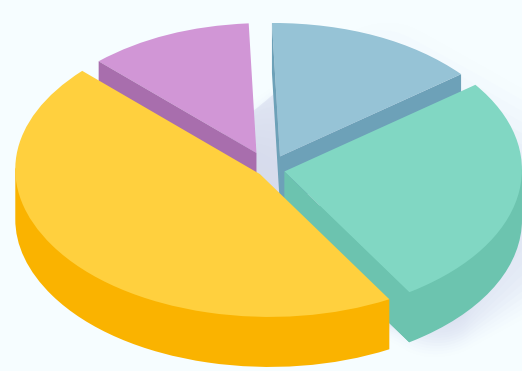
The actively managed Tema Luxury ETF seeks to provide long-term growth by investing in companies operating in the luxury industry

## 5 Reasons to consider LUX ETF



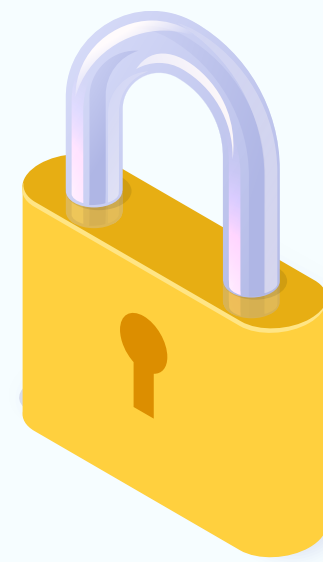
### Timeless aspirational moats

Luxury brands have a timeless and aspirational appeal to consumers, creating heritage-based moats and allowing them to travel easily



### Underpenetration

Luxury brands benefit from strong volume growth drivers across different underpenetrated verticals including geographies (emerging markets), demographics (gen-Z), channels (e-commerce) and sustainability (ESG)



### Pricing power

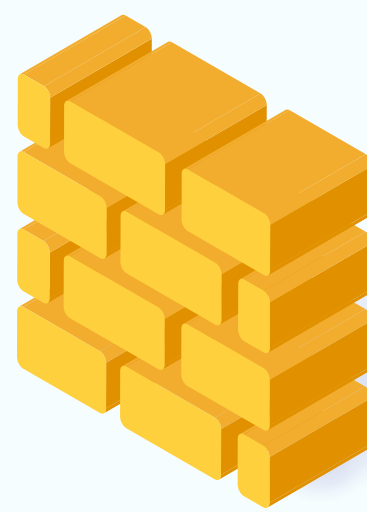
Luxury brands can be characterized as exhibiting superior pricing power evidenced by consistent organic growth and strong gross margins (~70%)

Source: Bloomberg



### Quality

The luxury sector differentiates itself in quality products and quality business characteristics, such as operating margins and high returns on capital

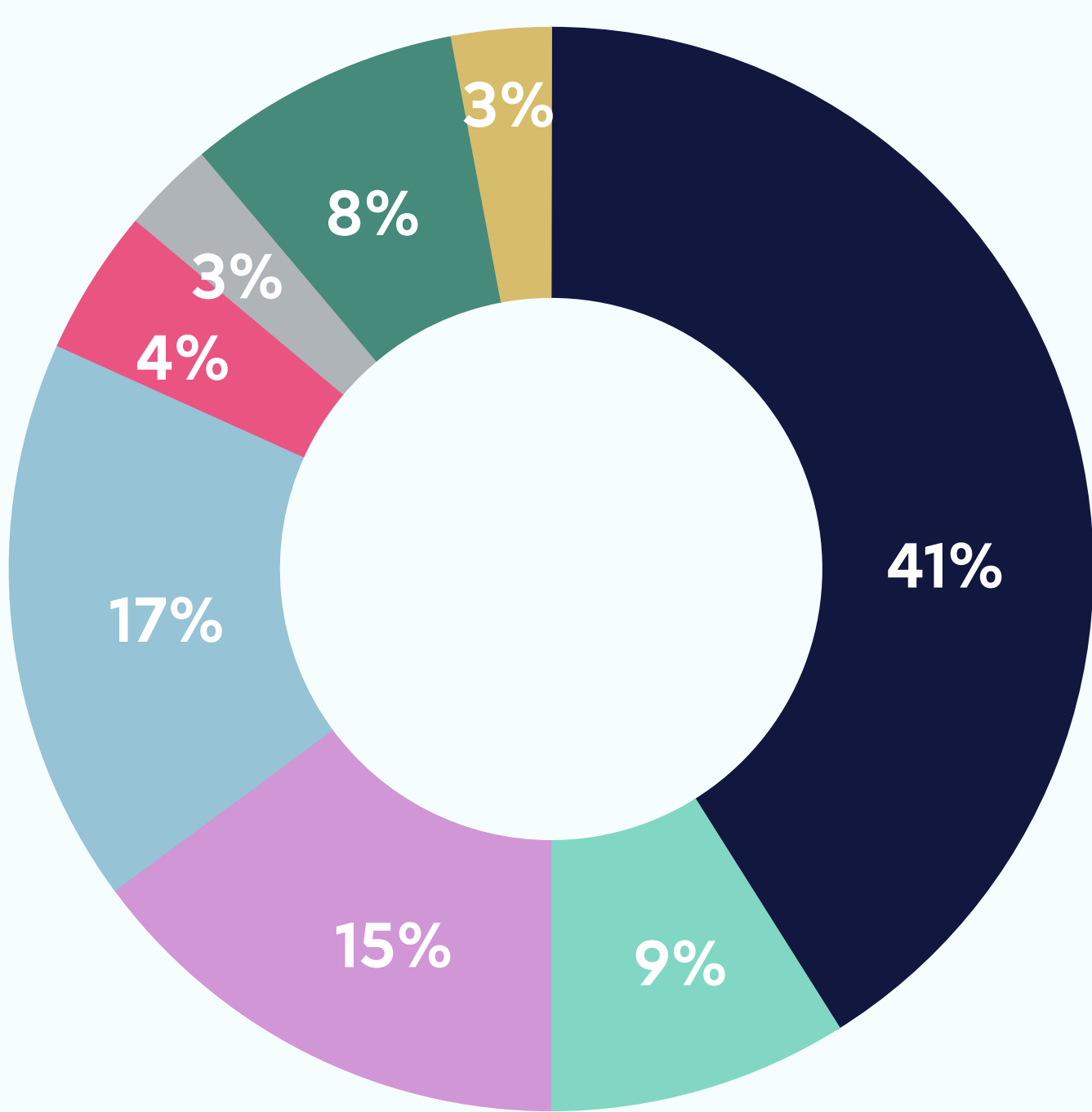


### Defensive nature

Luxury markets historically exhibit only mild cyclical, supported by the affluence of typical luxury consumers combined with the aspirational and unique nature of the product or service

## LUX portfolio breakdown

Country weighting %



- France

● Switzerland

● United States

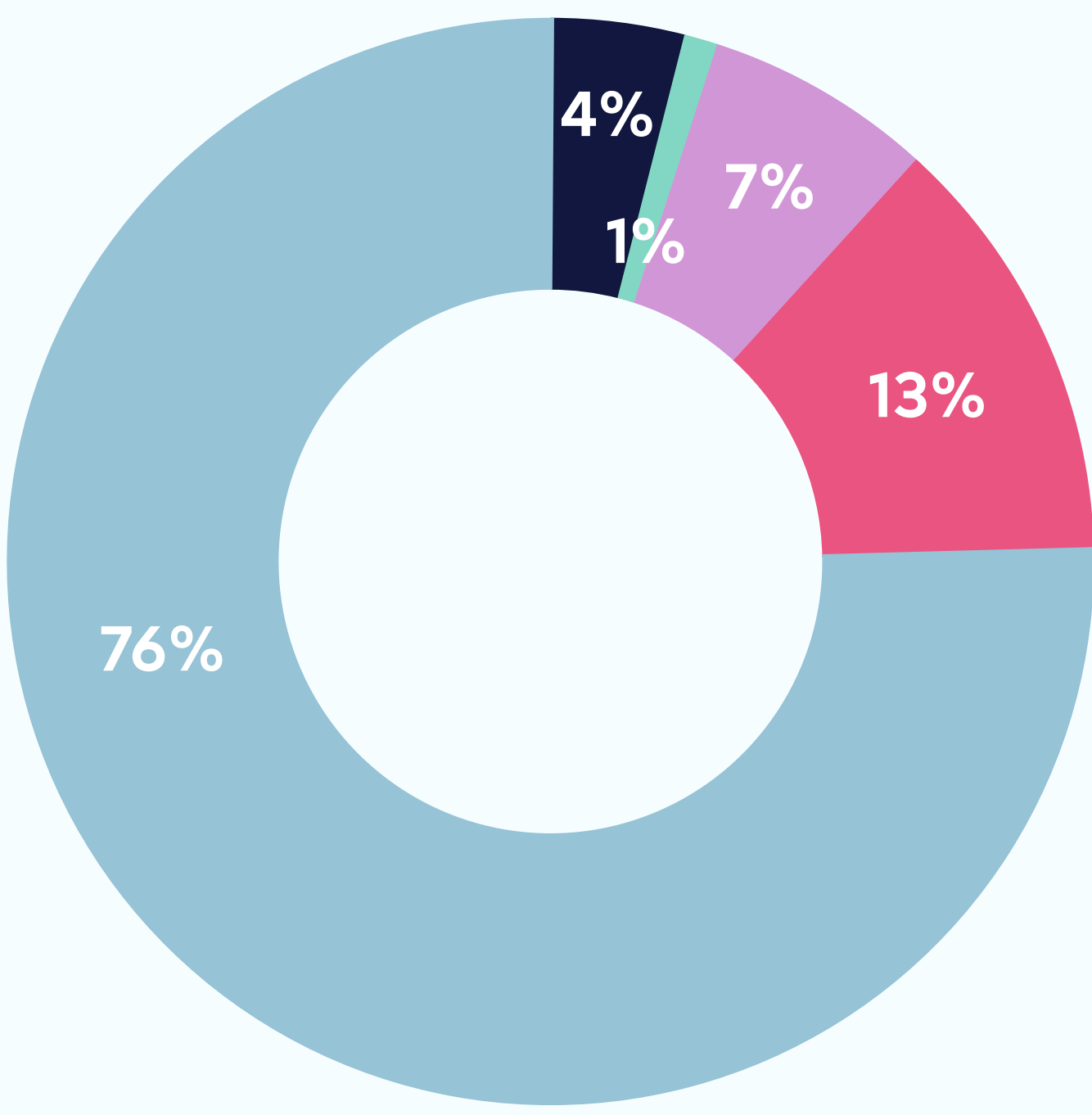
● Italy
- China

● Hong Kong

● Germany

● Britain

Market cap bands (\$ Bn)



- 1-2

● 5-10

● >50
- 2-5

● 10-50

Information and data as of 04/30/2023. Figures may not add up to 100% due to rounding.

Click here to learn more  
about LUX’s portfolio

[About LUX](#)



Do you like this infographic?  
Join our newsletter and receive  
more insightful multimedia content

[Subscribe](#)





## Risk Information

**Before investing carefully consider the Fund’s investment objective, risks, charges, and expenses contained in the prospectus available at [www.temaetfs.com](http://www.temaetfs.com). Read carefully before investing.**

Investing involves risk including possible loss of principal. There is no guarantee the adviser’s investment strategy will be successful.

**Sector Focus Risk:** The Fund may invest a significant portion of its assets in one or more sectors, including Consumer Discretionary and Consumer Staples, and thus will be more susceptible to the risks affecting those sectors than funds that have more diversified holdings across several sectors.

The success of companies that sell luxury goods and services may depend heavily on the disposable household income and consumer spending of a relatively small segment of the general population, rather than the consumer population as a whole. Changes in consumer taste among such segment of the population can also affect the demand for, and success of, luxury goods and services in the marketplace. Consumer spending on luxury goods and services can also be adversely affected as a result of declines in consumer confidence levels, even if prevailing economic conditions are favorable. In an economic downturn, consumer discretionary spending levels generally decline, often resulting in disproportionately large reductions in the sale of luxury goods and services.

Investing in Foreign and emerging markets involves risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments. In addition, the fund is exposed to currency risk.

Tema Global Limited serves as the investment adviser to Tema Luxury ETF (the “Fund”), and NEOS Investments, LLC serves as a sub adviser to the Fund. The Fund is distributed by Foreside Services LLC, which is not affiliated with Tema Global Limited nor NEOS Investments, LLC. Check the background of Foreside on FINRA’s BrokerCheck.

**For inquiries:** [info@temaetfs.com](mailto:info@temaetfs.com)

