

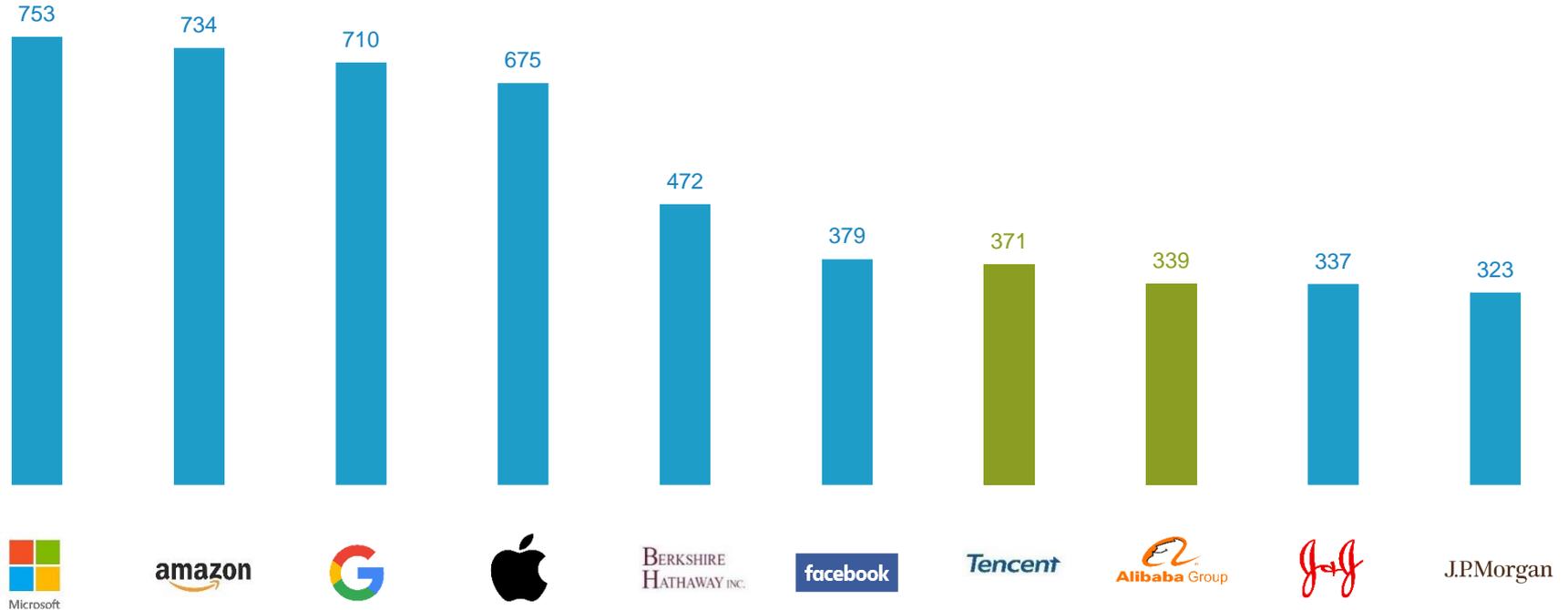


An investor's perspective of emerging markets

The art of common sense



World's largest companies (Market Cap in billion USD)



Source: Bloomberg, 03.01.2019

Emerging and developed markets





Success criteria



Leap Forward



Asset Allocation



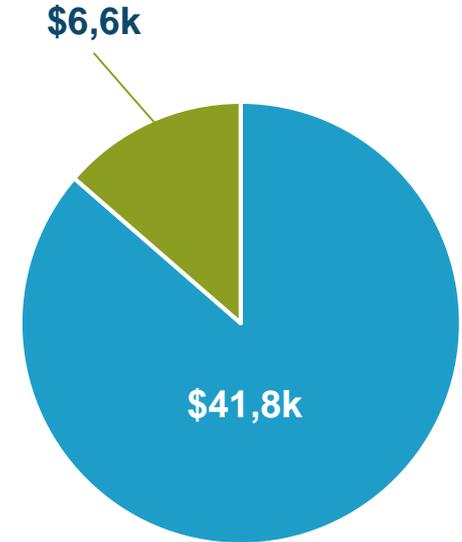
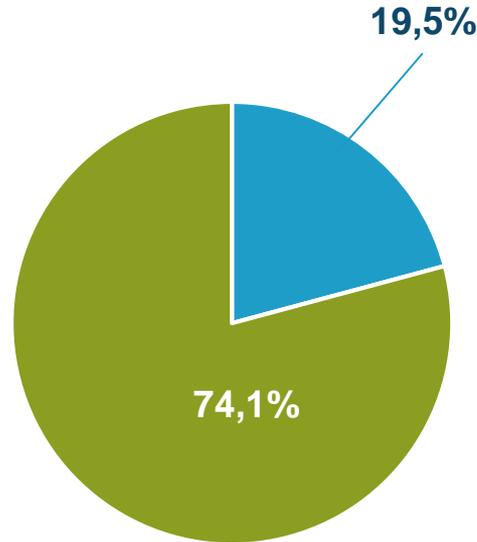
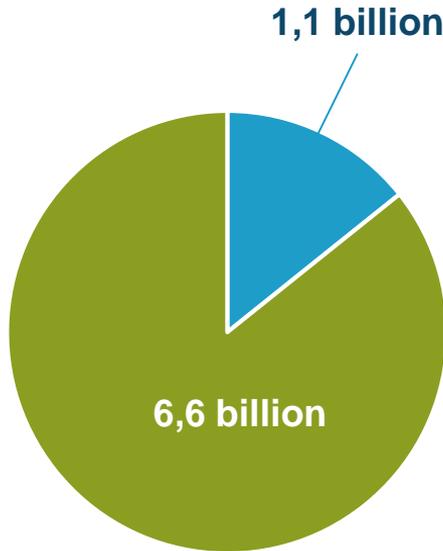
Population



Land area



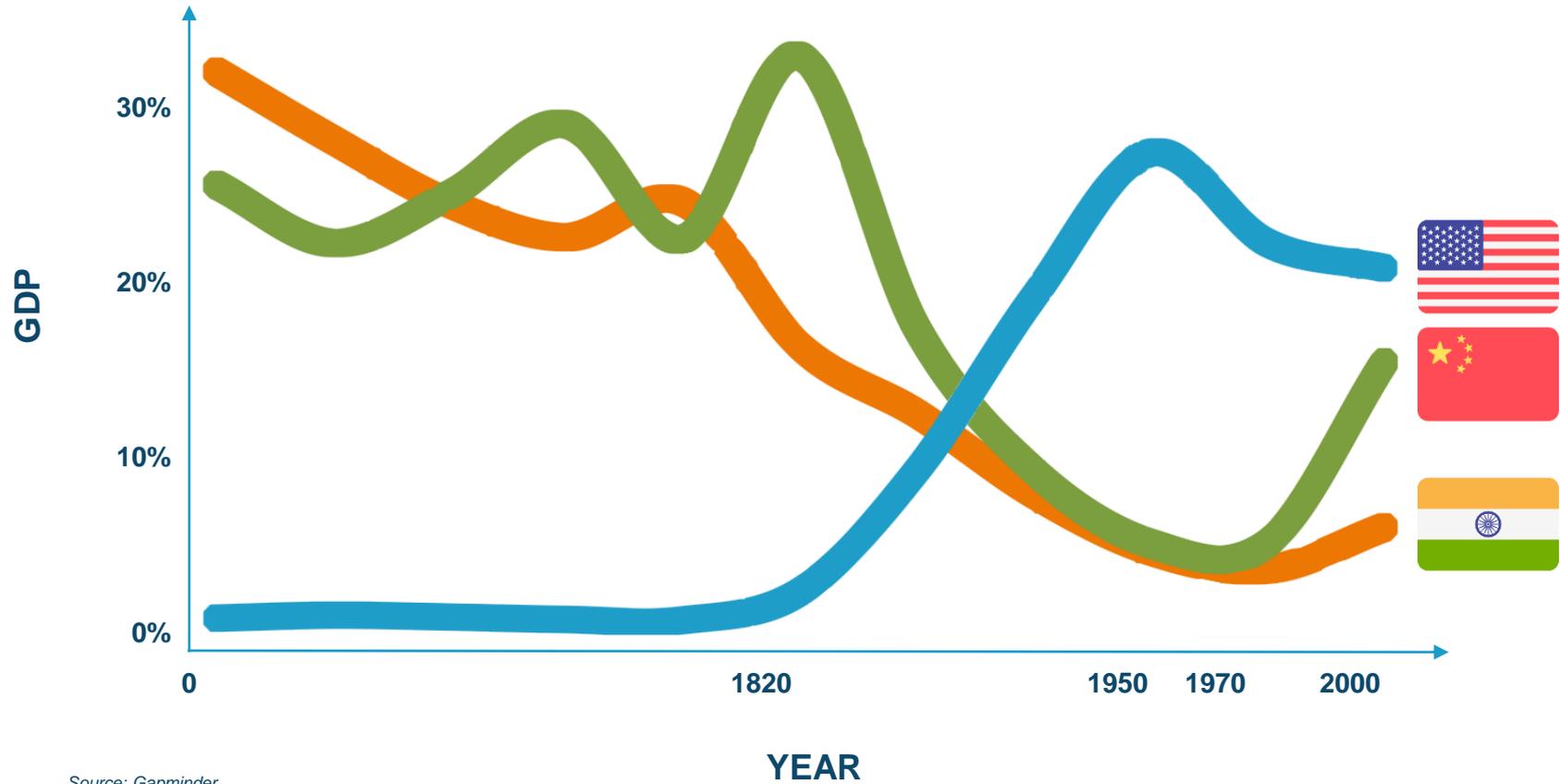
Global GDP/Capita



■ Developed markets ■ Emerging markets

Source: World Bank 2017

Share of global GDP



Source: Gapminder



Success criteria



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Asset Allocation





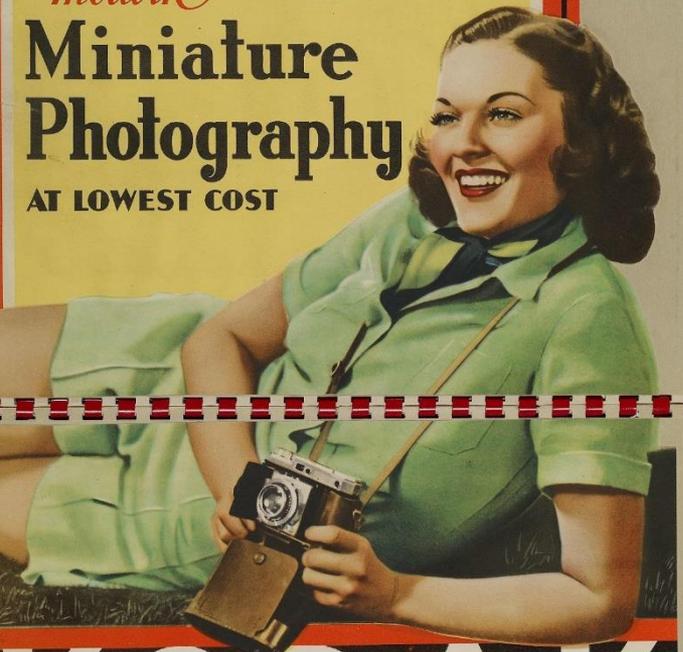


LET US DEMONSTRATE THE
MINIATURE KODAKS DE-LUXE

Modern

Miniature Photography

AT LOWEST COST



KODAK

RETINA · BANTAM · DUO · SUPREMA



IT TAKES
HEALTHY NERVES
TO FLY THE MAIL
AT NIGHT

● ABOVE—A. M. WILKINS, air-mail pilot for Transcontinental and Western Air, Inc., has flown the night air mail over 150,000 miles. It takes healthy nerves to hang up a record like that!

● RIGHT—AT THE END of his night run A. M. Wilkins joins a fellow pilot, W. Niedernhofer, at Newark Airport, the Eastern Terminal of TWA, for a chat and a smoke. "Camels never ruffle or jangle my nerves," Wilkins says.



● EVER NOTICE HOW airplane passengers smoke at each stop? Camels never get on your nerves, no matter how much you smoke, and there's more real enjoyment in their costlier tobaccos.



IT IS MORE FUN TO KNOW
Camels are made from finer,
MORE EXPENSIVE tobaccos
than any other popular brand.
They are milder, richer in flavor.
They never tire your taste or
get on your nerves.

A
MATCHLESS
BLEND

STEADY SMOKERS TURN TO CAMELS

A. M. WILKINS, air-mail ace, says: "It's a steady grind, all right, living up to our tradition that the mail must go through! That's why I smoke Camels. And I smoke plenty! Camels never ruffle or jangle my nerves, and I like their mild, rich flavor."

Steady smokers turn to Camels because the costlier tobaccos in Camels never get on the nerves...never tire the taste. Your taste and your nerves will confirm this. Start smoking Camels today!

Copyright, 1951,
R. J. REYNOLDS TOBACCO COMPANY

Camel's Costlier Tobaccos

NEVER GET ON YOUR NERVES
NEVER TIRE YOUR TASTE

It's not worth taking risks
- ONLY LIFEBOUY gives
sure protection
from "B.O." (Body Odour)



2 Forms of LIFEBOUY to choose from

- Both contain the special Lifebuoy health element—the valuable ingredient with which the creamy, quick-foaming lather ensures protection from "B.O." (Body Odour).
 - Both are extra mild... It's the famous health element that gives Lifebuoy an exceptionally mild, yet effective lather.
 - Both are Lever products.
- AND WHAT IS *Super-milling*?

Super-milling is an expensive refining process that makes Lifebuoy lather particularly rich and luxurious. Just see for yourself!



To be sure of *Personal Freshness* choose either pleasant form of LIFEBOUY



Success criteria



Leap Forward



Asset Allocation



Life expectancy

1975



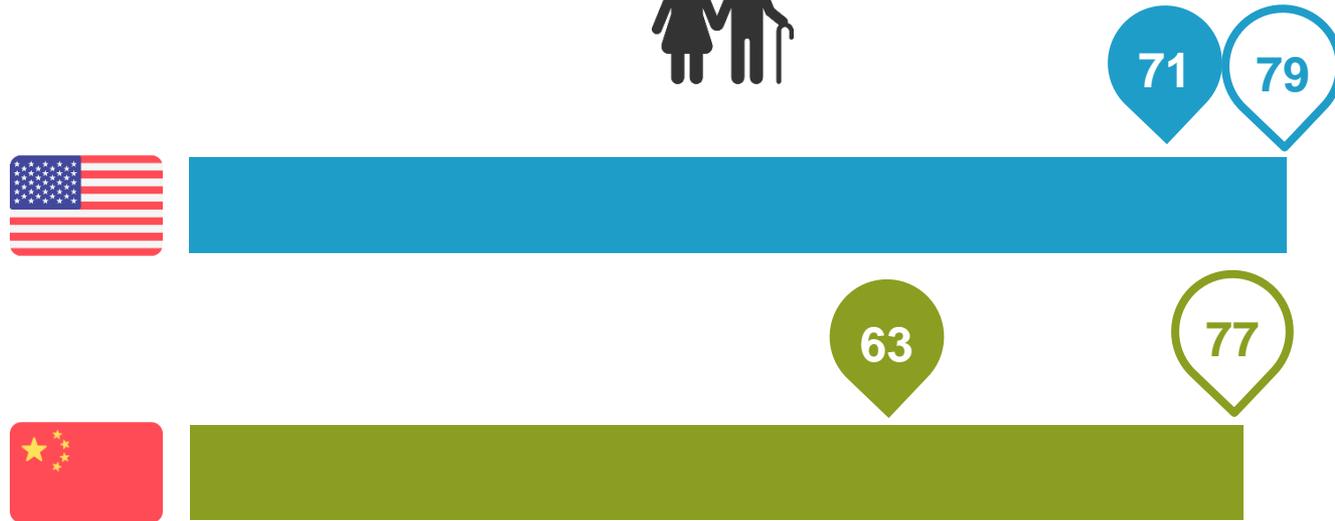
71



63

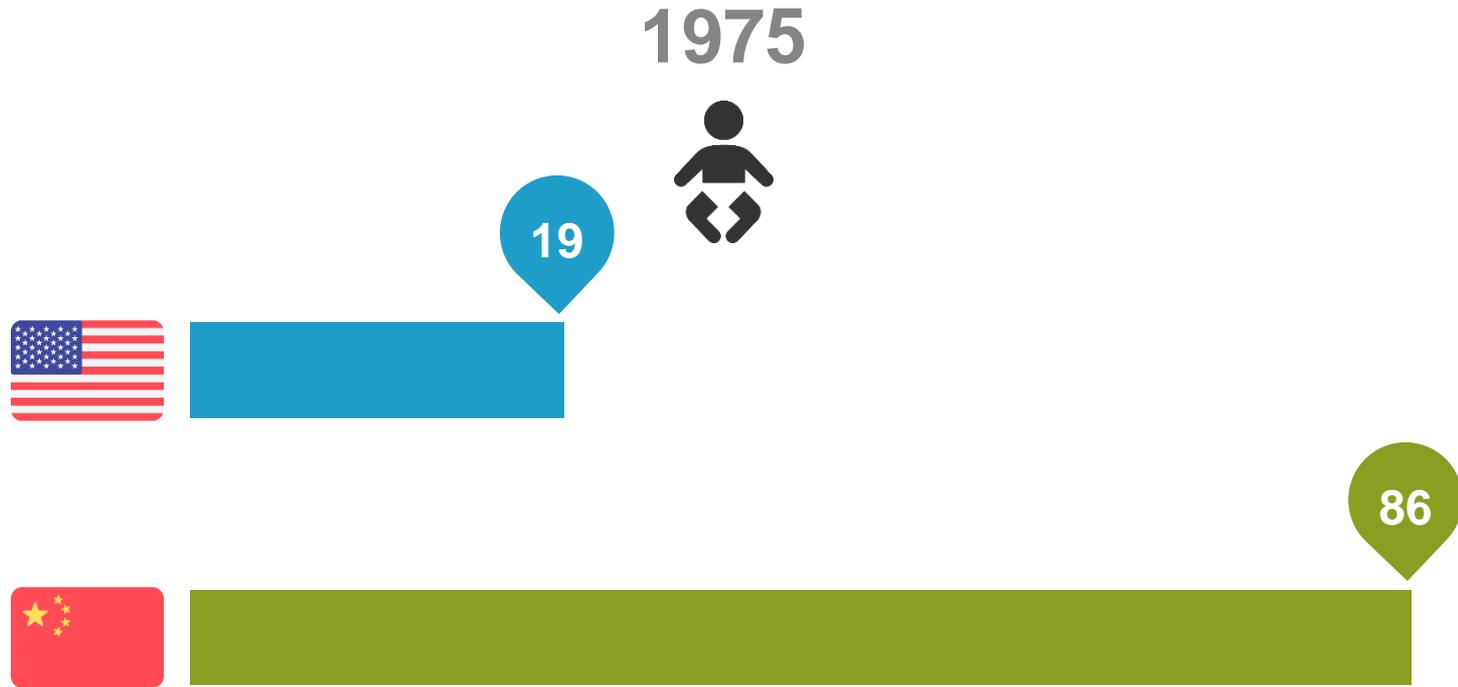
Life expectancy

Today



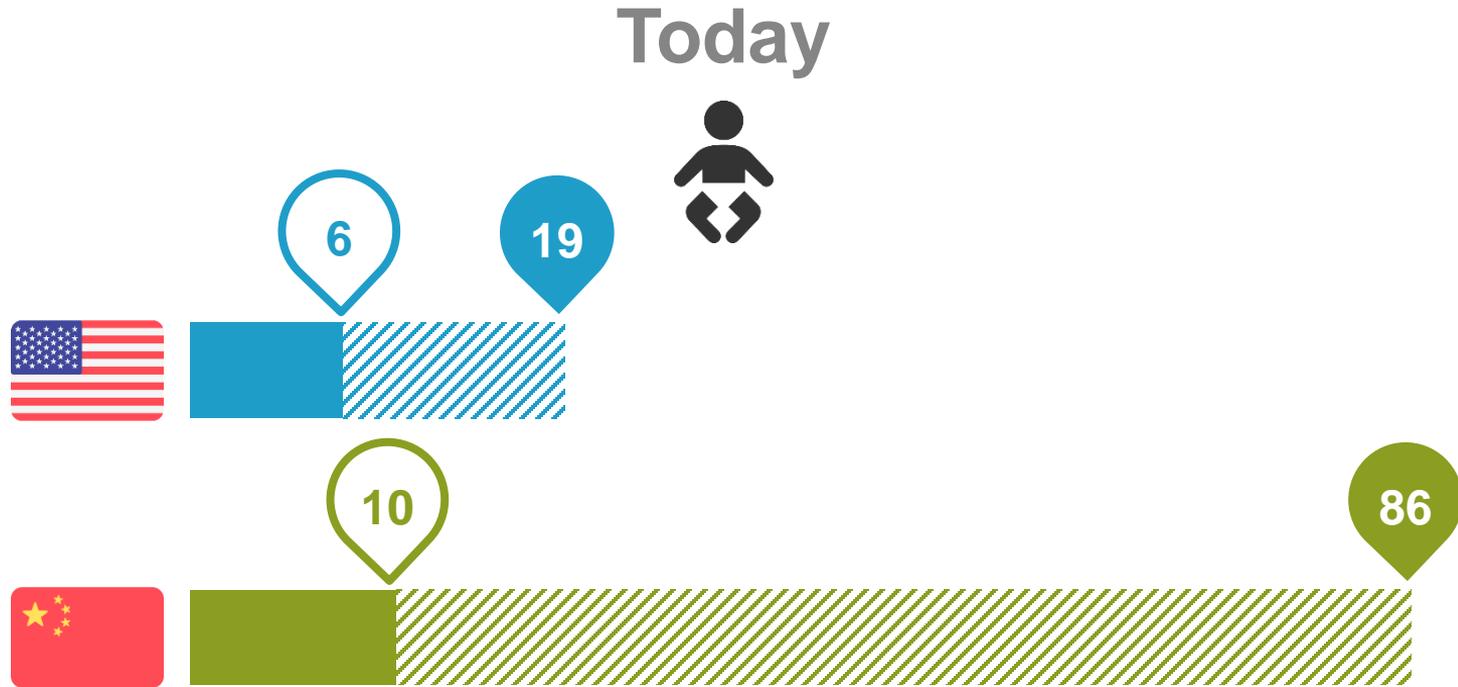
Source: Gapminder

Child mortality (0-5 year-olds dying per 1000 born)



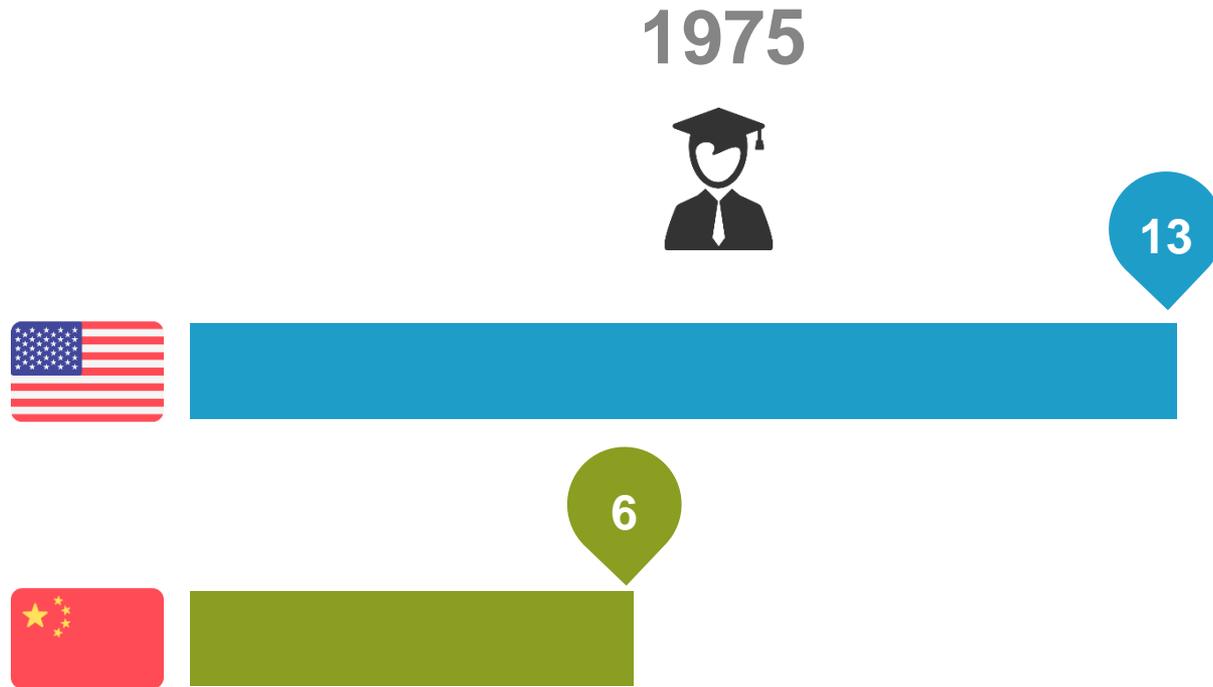
Source: Gapminder

Child mortality (0-5 year-olds dying per 1000 born)



Source: Gapminder

Education, men age 25-34 (number of years)



Education, men age 25-34 (number of years)

Today



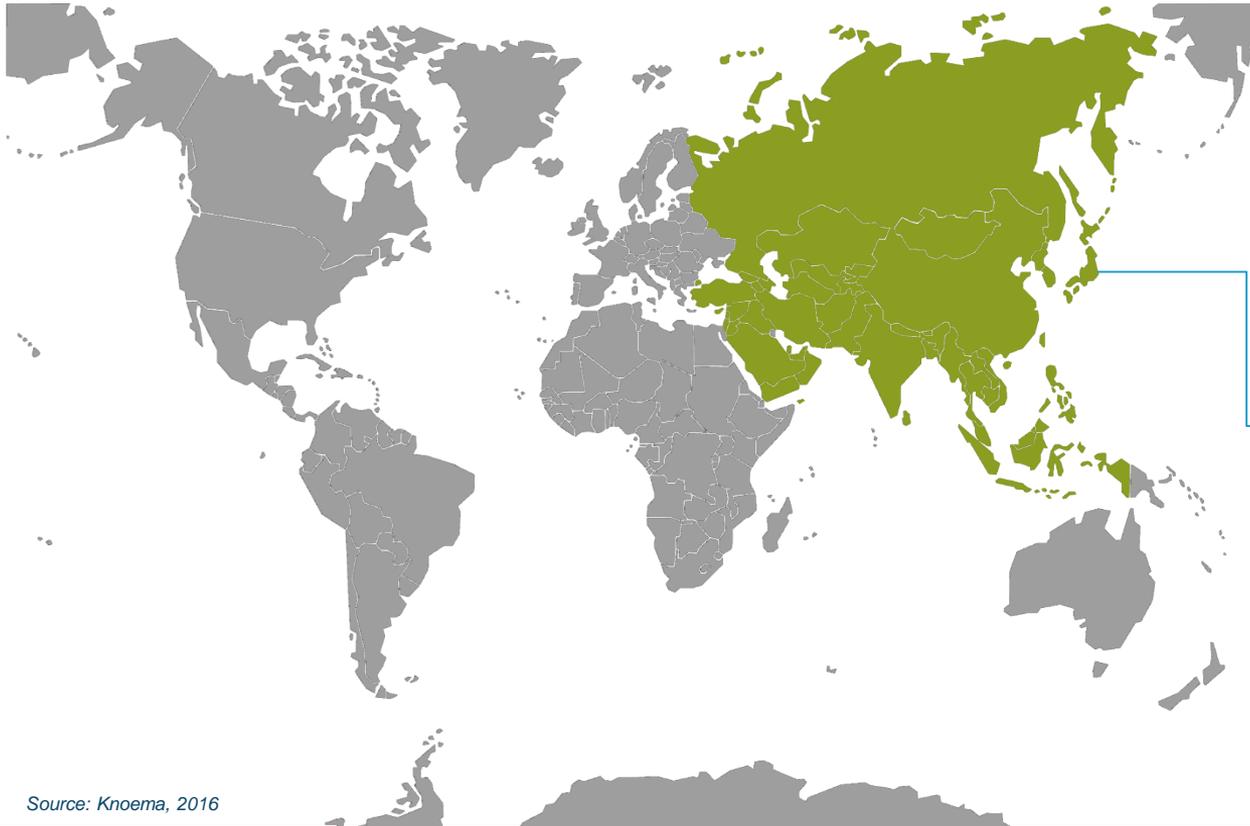
Source: Gapminder

Patent applications, 2016



Source: Knoema, 2016

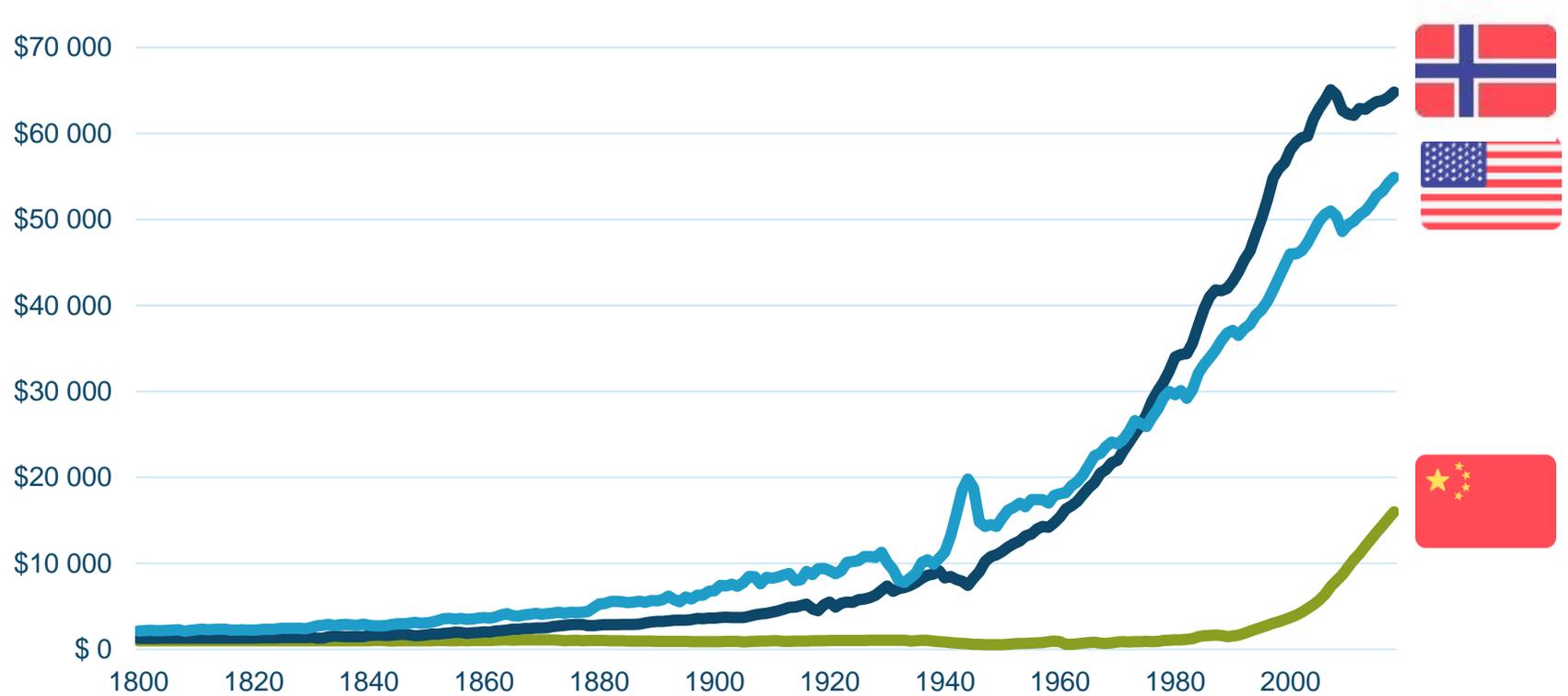
Patent applications, 2016



65% of global
patent
applications

Source: Knoema, 2016

GDP per capita



Source: Gapminder





Success criteria



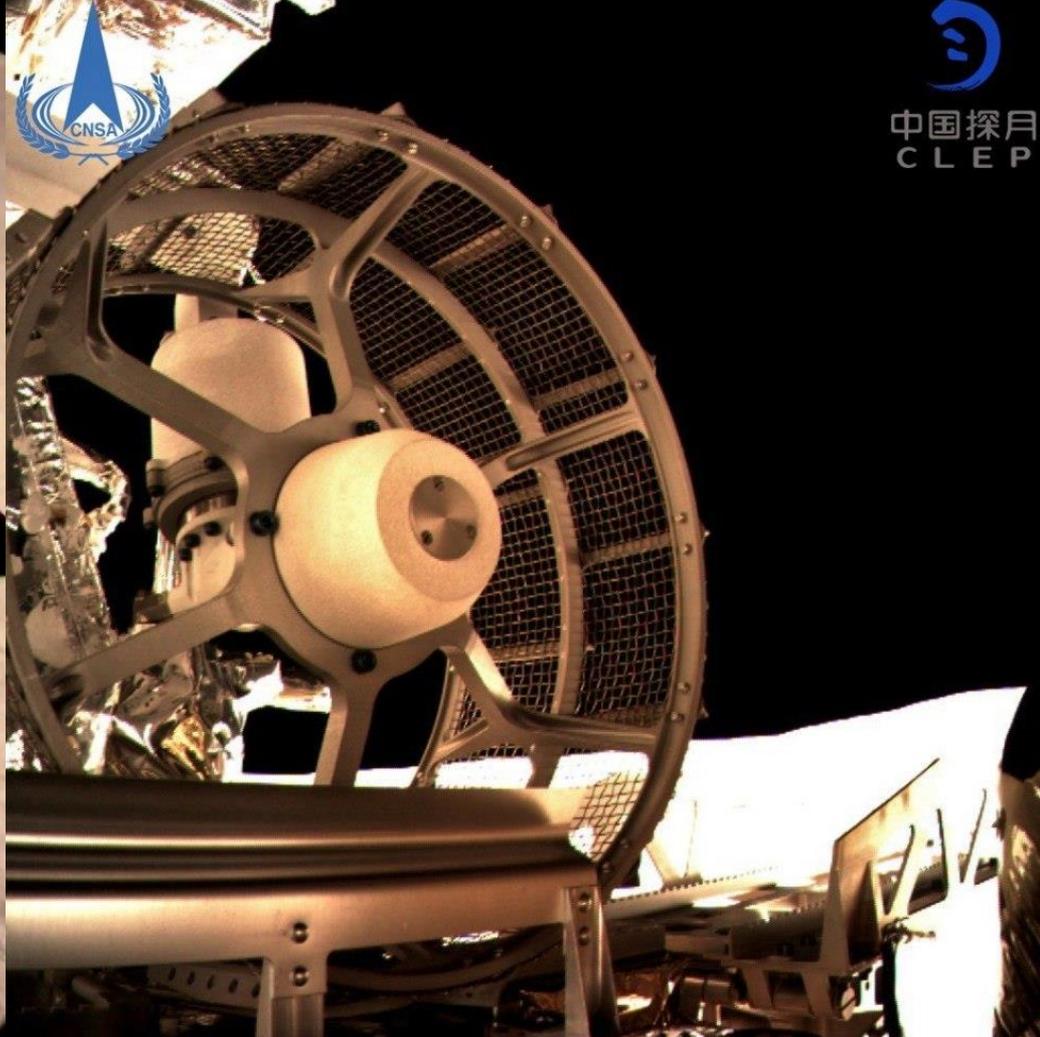
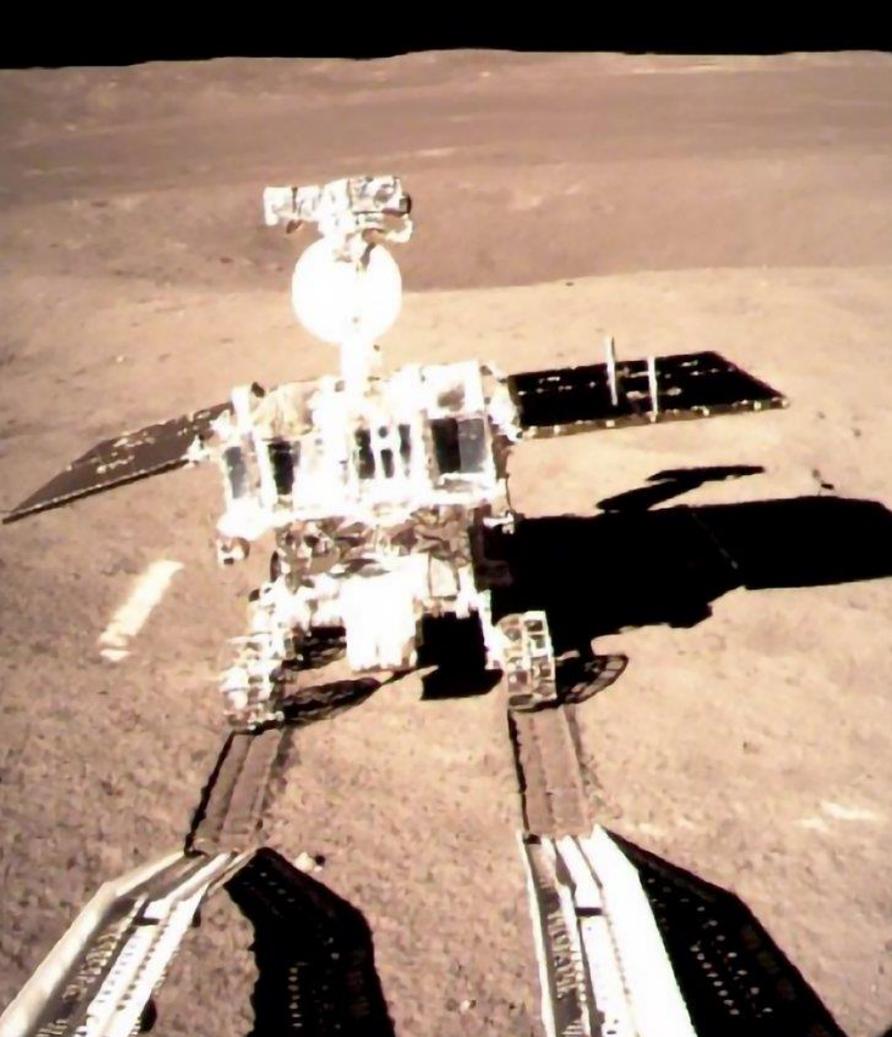
Leap Forward



Asset Allocation

















FORD TO CITY: DROP DEAD

Vows He'll Veto Any Bail-Out



Abe, Carey
Rip Stand

*Stocks Skid,
Dow Down 12*

PHOTO COURTESY OF THE
NEW YORK PUBLIC LIBRARY
ASTOR LENOX TILDEN FOUNDATION



Cities monumental that we easily forget how
and the 1970s, New York verged on bankruptcy
refused to bail it out (left), and President Carter took
of the (above). Three decades before the
Go urban paragon, and three c

[Ar News Archive / Getty Images
The New York Times / Redux I



新蓝色
支付宝



商家







Middle Class

2009

1,8 billion

27%

280 million

2030E

4,9 billion

58%

2490 million

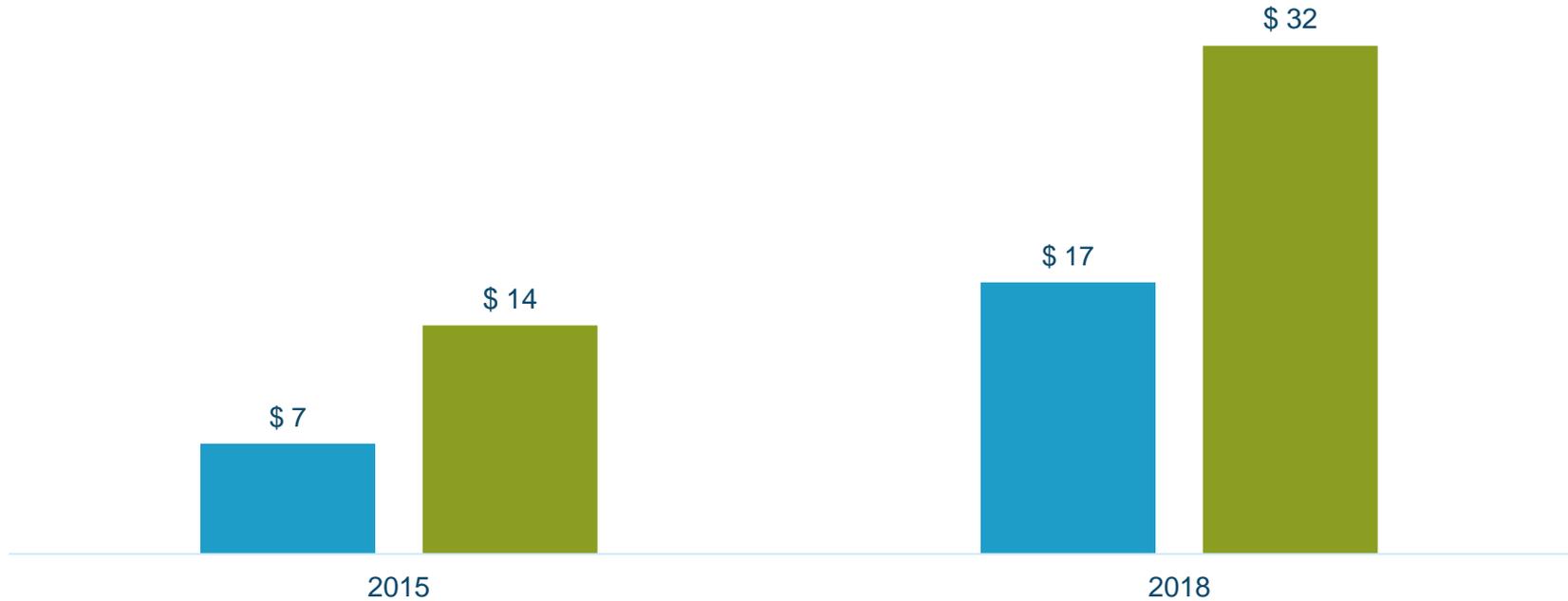


Alibaba.com

Chinese Singles' Day Eats US e-commerce

E-commerce sale in billion USD

■ Thanksgiving Day + Black Friday + Cyber Monday (U.S. total) ■ Singles' Day - November 11 (Alibaba)



Source: Statista. Alibaba's GMV in Singles' Day vs. U.S. e-commerce sales on Thanksgiving weekend. GMV = gross merchandise volume measuring the dollar value of all goods sold on Alibaba's platforms.



Success criteria

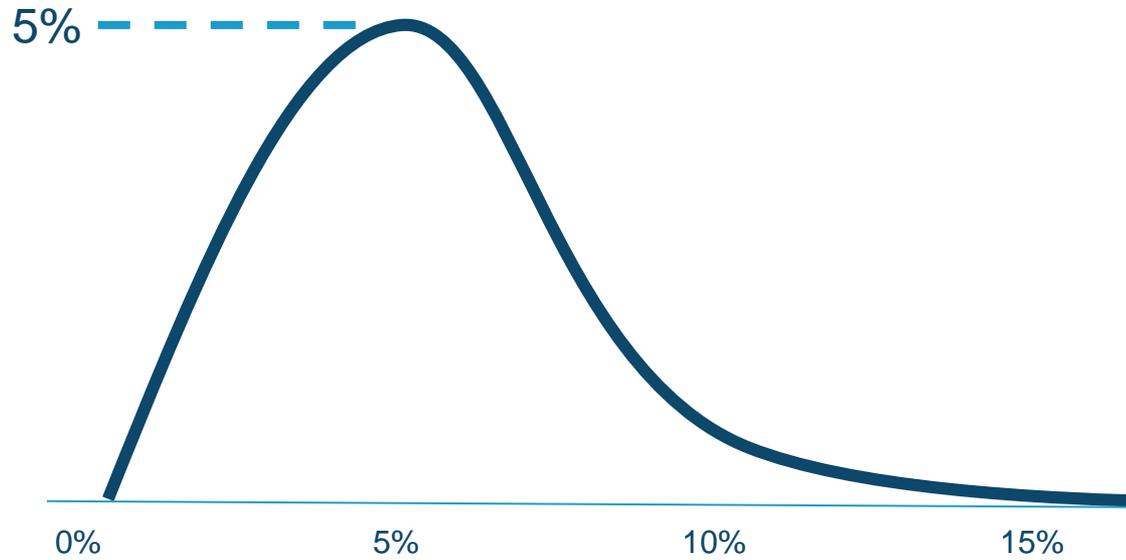


Leap Forward



Asset Allocation

Spread of Pension Funds' Allocation to EM



Source: Pensions & Investments. For illustration only.

Share of Global Figures

Global Market Capitalisation



Global GDP



Global growth in GDP



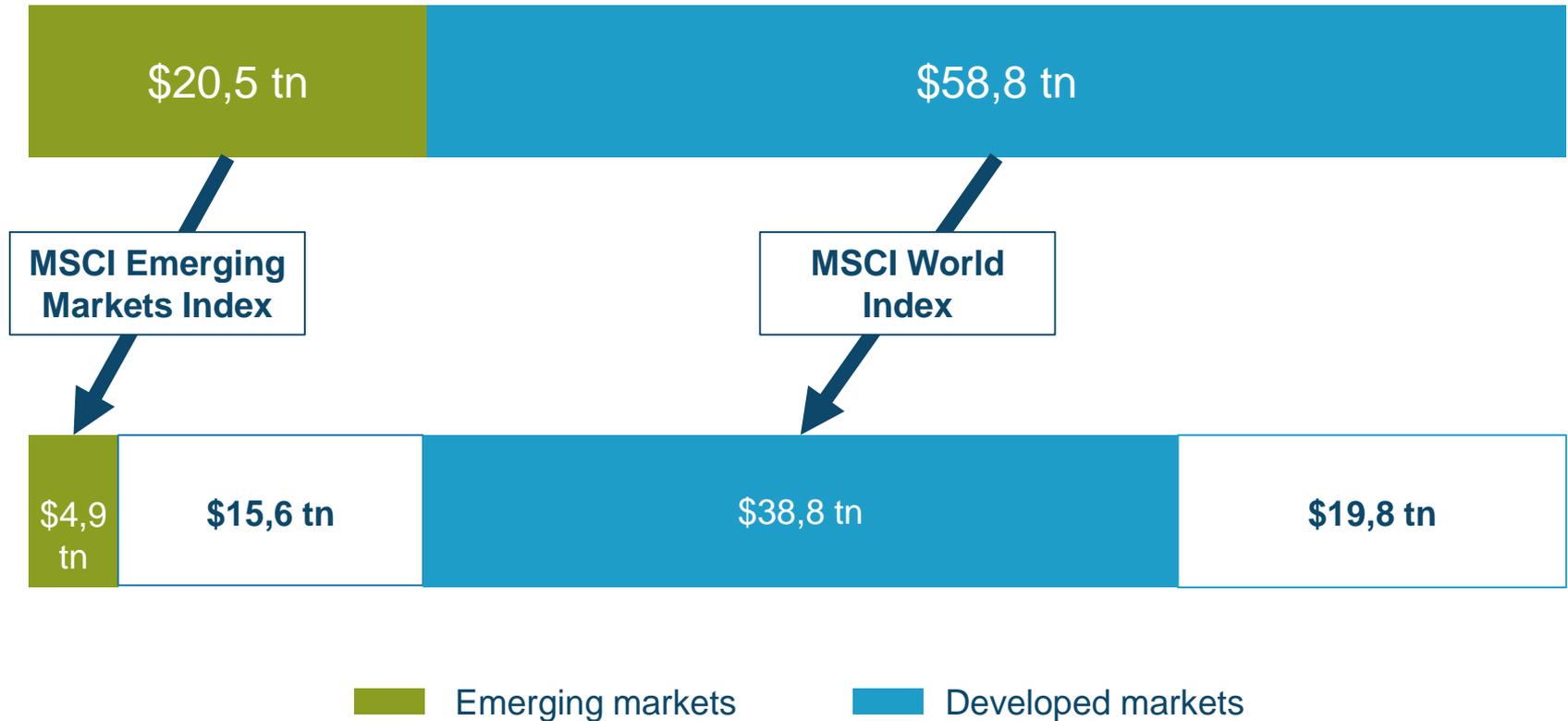
Emerging markets



Developed markets

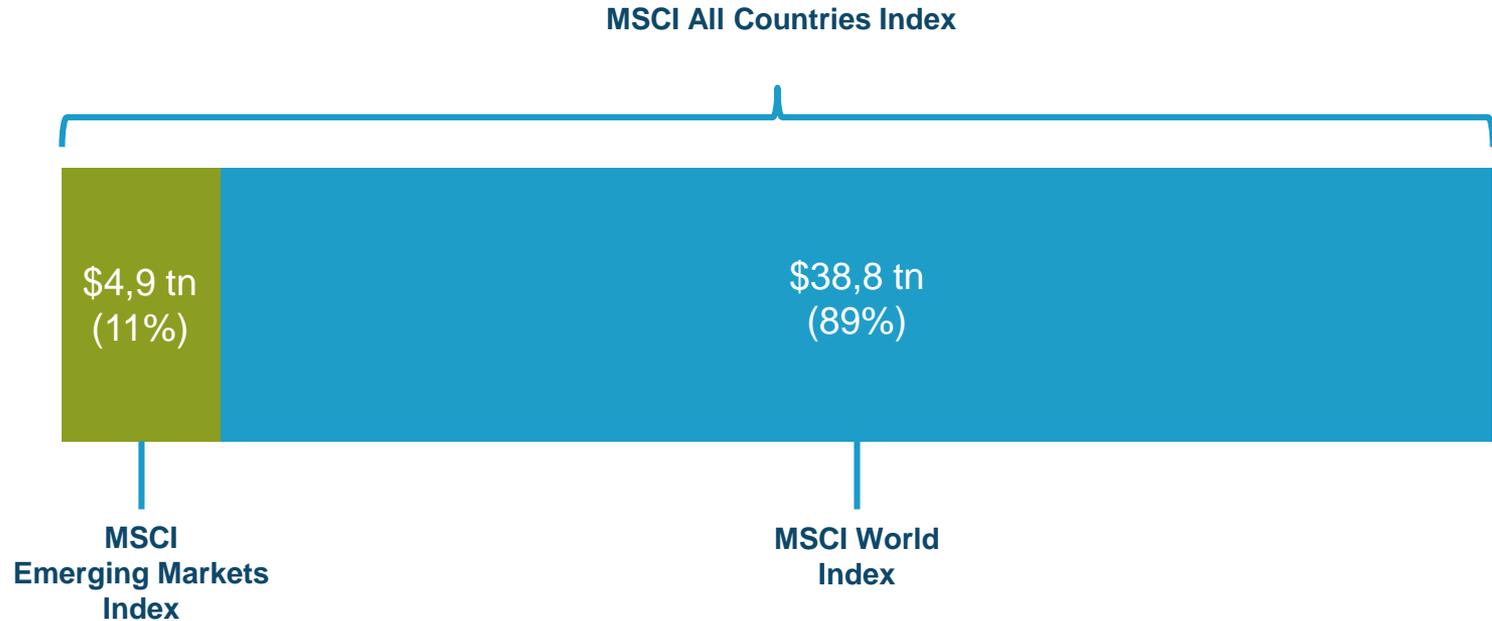
Source: Lazard (2018), IMF 31.12.2017

Global Market Capitalisation



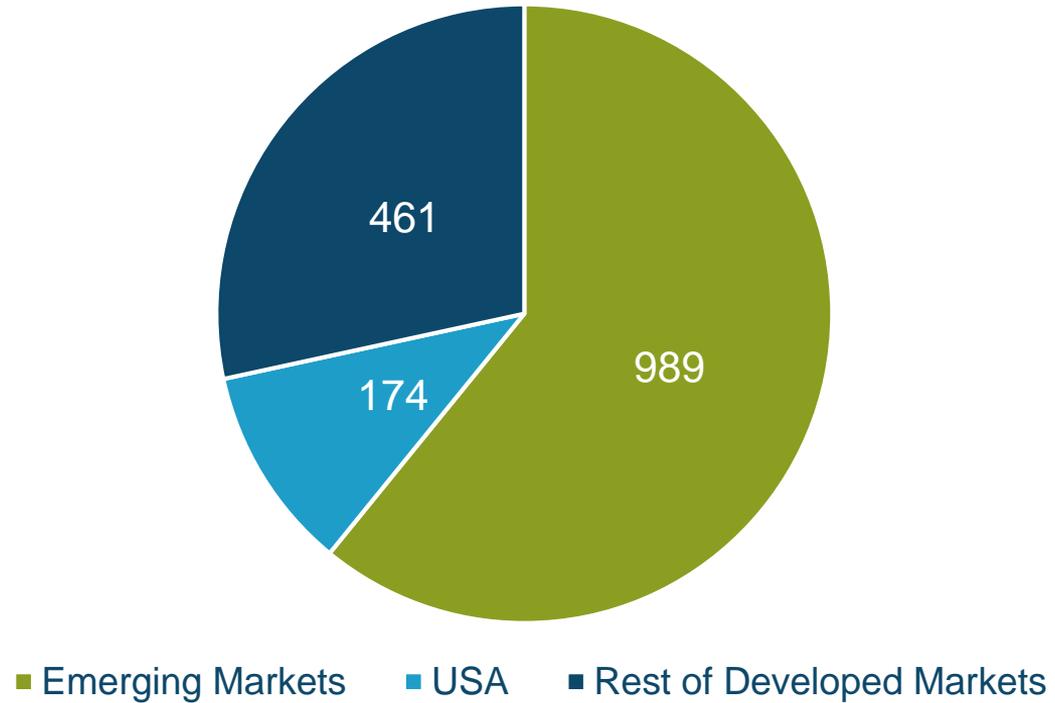
Source: Bloomberg, IMF 31.12.2017

MSCI EM vs DM companies



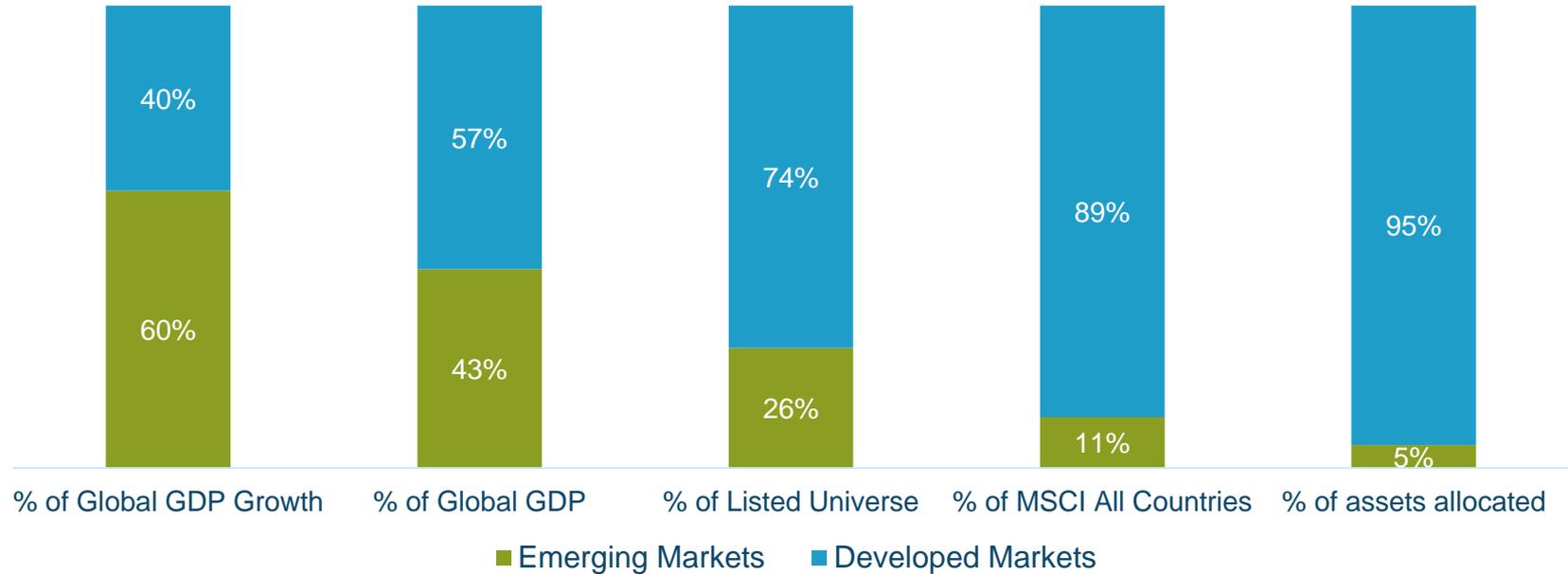
Source: Bloomberg Dec 1, 2018

Number of Global IPOs 2017



Source: EY 2018

How much to allocate to Emerging Markets?





Is it safe here?

Yes. We are 99.99% confident there is no risk of major volatility ahead. There is just a slight NE breeze.

Train? What do you mean?
That is not the consensus.







September 2018
Lehman Brothers



