

# Maybank Asset Management Aligns With Pictet To Launch Premium Brands Fund

By **K. Harinderan** - June 18, 2024



Maybank Asset Management Sdn Bhd (MAM), in collaboration with Pictet Asset Management (Europe) S.A. has launched the MAMG Premium Brands Fund, a qualified Sustainable and Responsible Investment (SRI) fund under the Securities Commission Malaysia's Guidelines on Sustainable and Responsible Investment Funds.

The Fund is a feeder fund that aims to achieve capital growth by investing in the Pictet Premium Brands (the Target Fund). The Target Fund is tailored for those looking to benefit from the prestige and performance of high-end product and services that enjoy strong market recognition due to their ability to create or channel consumer trends. It makes strategic investments in leading companies behind iconic brands across the various consumer segments such as luxury, leisure, travel, sport, food, and cosmetics worldwide.

The Target Fund invests in exceptionally cash rich companies with large following, companies that have the power to create and promote positive trends across the globe. With a wide range of sustainability initiatives, these companies

are setting standards in carbon reduction, renewable materials, waste management as well as social impact activities.



On this addition to its offering, Hisham Hamzah, Chief Executive Officer of Maybank Asset Management Sdn Bhd said, “This fund is a great addition as we expand our suite of products to offer investors greater diversity. With significant demand resurgence from China, global travel resuming and the buying power of Gen Y, Z and Alpha in emerging markets set to dominate global luxury purchases, it is a timely chance for investors to enhance their wealth in step with the growing demand for premium brands.

As the global luxury goods market grows at 22 per cent year on year and this spending trend set to continue, this niche portfolio Fund with its high barriers to entry will sustain its exclusive and best-in-class repertoire. Investors will also have peace of mind as the premium brands the Fund covers have strong pricing power and are able to maintain strong profits through inflationary periods,” he added.

Premium brands have seen the biggest growth in Media Impact Value (“MIV”) since the pandemic. The average growth in MIV among the top 20 premium brands since 2020 is 114 per cent, compared to 69 per cent for luxury brands and 62 per cent for mass market brands.

The Target Fund’s premium brands focus on Luxury, Leisure and Lifestyle – an active strategy across the 3Ls has shown success since the Fund’s inception in 2005. The strategy is actively managed and a case in point has been that in 2023 the portfolio has slightly pivoted from luxury names like LVMH and Hermes to allocate travel names including Marriott International, Hilton and Intercontinental Hotels Group in view of valuations and the earnings.

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