Rationale

World population growth is slowing. In 1972, annual world population growth was 2 percent, by 1992 it had slowed to just above 1.5 percent per year, and in 2012 it was less than 1.25 percent.¹

The world’s population is aging. In the last 15 years, the number of children (14 years and under) increased by only 10 million. Over the same period, the population of age 65 and over increased by more than 150 million.

Emerging market countries are enjoying a demographic “dividend”


Healthcare spending will consume greater economic resources for all countries, particularly in developed economies. By 2040, the age 65-and-over population is expected to make up 25 percent of Europe’s population and 20 percent of the populations of both the United States and China.³

Aging populations and older workforces would be expected to consume goods and services that address the effects of aging, such as cosmetics and regenerative/rejuvenating products and services. Financial services would address increased life expectancy after retirement, while investments in infrastructure would be needed to support an aging population and increasingly older workforce.

Emerging market countries continue to enjoy a demographic “dividend,” though many have passed peak years. This period is defined by positive growth in the number of working-age adults relative to the number of children and the elderly.

THEME THESIS: The rate of global population growth is slowing down rapidly and the world’s population is aging. While population growth is slowing overall, it is increasing among older age groups.

Long-term Investing for Wealth Expansion
Potential beneficiaries

- Emerging market economies, particularly those pursuing policies and investments intended to “harvest” a current demographic dividend for long-term economic growth
- Healthcare spending, both in developed and emerging economies
- Spending on consumer products and services that addresses the effects of aging and increased life expectancy
- Infrastructure investments in support of an aging population
- Urban real estate (commercial, retail, residential), particularly in the United States

Potential investments for consideration

- Individual emerging market economies
- Healthcare related to aging and increased life expectancy
- Consumer products and services that address the effects of aging (cosmetics, rejuvenation, lifestyle)
- Life insurance
- Infrastructure necessary to support an aging population
- Urban real estate

Potential risks to outlook

- A pandemic or global conflict that suddenly shifts global demographics
- A shift in immigration policies in advanced economies (that leads to a migration of population from developing economies to advanced economies)

Sources

1. UNData.
2. Ibid.
3. BCA Research.

Investments are:

<table>
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<tr>
<th>NOT A DEPOSIT</th>
<th>NOT FDIC INSURED</th>
<th>MAY LOSE VALUE</th>
<th>NOT BANK GUARANTEED</th>
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