

# Eqitron Theme Navigator

## Investment Strategy Description

Eqitron Theme Navigator AMC is an active, theme-based global equity investment product. Its objective is to outperform the global equity market by identifying emerging and fading investment themes and their related stocks, executing buy or sell decisions as these themes gain or lose potential.

### Investment Idea

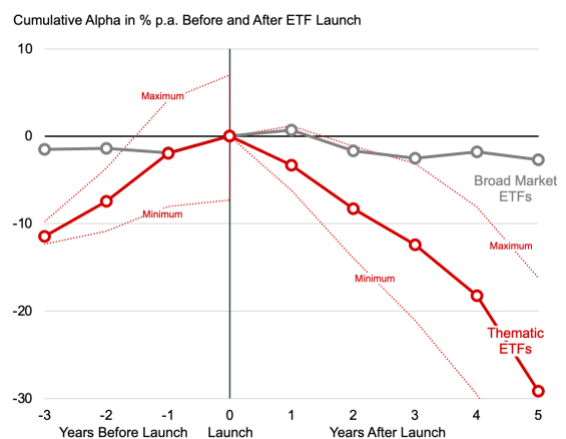
Thematic investing structurally underperforms due to poor timing (see Fig. 1). This happens because investors typically enter themes too late, after most of the potential upside has already been priced in. The root cause is that financial markets quickly discount future profit expectations, leaving investors unable to capitalize on opportunities.

This applies even to game-changing themes. A common misconception is that these themes are ideal for long-term investments. While they may offer significant potential, their return windows are often much shorter than anticipated. The optimal time frame for capturing returns from themes spans several months, and not years.

### Investment Approach

Eqitron Theme Navigator addresses the central timing challenge in thematic investing. Themes emerge from narratives shaped by financial markets and news agencies. Our AI monitors global financial news in real time,

identifying emerging or fading themes faster than most. By analyzing vast data, it tracks daily market attention, allowing us to follow its evolution.



**Fig. 1: Systematic Flaws in Thematic Investing.**

The chart shows that the average Thematic ETF (solid red line) underperforms by approximately 30% within five years of its launch. Even the best-performing thematic ETF (upper, dotted red line labeled 'Maximum') shows only marginally better performance. Source: Ben-David et al., Competition for Attention in the ETF Space, The Review of Financial Studies, March 2023.

Investor attention drives a theme's price dynamics, and our strategy capitalizes on this interplay. Our proprietary AI-driven process ensures faster, more efficient, and unbiased decisions. Once the top 10 themes are identified and deemed strong and investable, we select the corresponding stocks for inclusion in the Eqitron Theme Navigator portfolio.

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## Key Facts

Product Name	Eqitron Theme Navigator
Type	Actively Managed Certificate
Issuer	Morgan Stanley & Co International plc, 25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom
Issuer Rating	A+ (S&P), Aa3 (Moody's)
Strategy Allocator	Eqitron AG, Gartenstrasse 14, 8002 Zürich, Switzerland
ISIN	XS2893559448
Valor	138195237
Currency	USD
Strategy	Allocation Fee: 100bps p.a.
Deduction	Platform Fee: 20bps p.a. Transaction Costs: est. 5bps p.a.

### DISCLAIMER

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