

eToro launches LuxuryBrands, a Smart Portfolio of the world's most opulent firms

May 3, 2022: [eToro](#), the social investing network, announced today the launch of LuxuryBrands, the latest addition to its suite of themed Smart Portfolios, offering investors long-term exposure to the luxury goods industry.

The luxury goods market has historically withstood passing fads to retain essential value and allure to customers, giving luxury firms crucial pricing power.

“Despite the cutbacks on discretionary spending prompted by the pandemic, luxury brands have strongly recovered and more than held their own value in a world of rising inflation,” said Dani Brinker, Head of Investment Portfolios at eToro. “Their timeless nature made them resilient to shifts in consumer demand, and after contracting in 2020, the market grew by 13% to 15% in 2021 to EUR1.14 trillion.¹”

Ben Laidler, Global Markets Strategist at eToro, said: *“Luxury stocks have been strong pandemic outperformers in both ‘narrow’ luxury such as fashion, leather goods, beauty, or ‘broad’ plays including cars, spirits and sportswear. They enjoy strong brands, big profit margins and non-cyclical growth drivers of exclusivity and status. This supports high valuations, with trends that will endure regardless of volatility.”*

The accelerated shift towards e-commerce has only boosted the power of luxury brands, with online stores driving the sector recovery. Monobrand online stores now make up nearly half (40%) of the point of sale to consumers².

“With China supplying one third of luxury goods demand, its zero-covid policy bottlenecks reinforced exclusivity and pricing, helping luxury brands’ revenue. The rise of sustainability, supply chain integration, and multi-brand luxury conglomerates just serves to increase the barriers to entry for market disruptors, and a weak euro also cushions high profit margins. As a result luxury brands look set to prosper in a post-covid world,” Ben Laidler added.

To reflect the variety of sectors in the industry, the LuxuryBrands Smart Portfolio presents a highly diversified thematic selection of 25 stocks, including brands such as Ferrari, Hermes, and Marriott International, the parent company of the Ritz Carlton and St. Regis. It also offers access to fashion parent companies including LVMH, which includes Tiffany & Co. and Louis Vuitton in its stable of brands; Kering, the holding company of Gucci, Saint Laurent and Balenciaga; and the Richemont Group, which owns high jewellery brand Cartier and watchmaker IWC. The full list of companies can be found [here](#).

Dani Brinker concluded: *“By packaging up a selection of stocks into a ready-made portfolio, we are enabling our customers to invest in themes and gain exposure to markets while maintaining important diversification across the automotive, textile and household goods sectors. By investing in LuxuryBrands, our customers will be able to participate in one of the most timeless consumer goods segments in the world.”*

¹ Bain & Company: [2021 Luxury Goods Worldwide Market Study](#) (December 2021)

² Bain & Company: [2021 Luxury Goods Worldwide Market Study](#) (December 2021)

eToro's Smart Portfolios offer investors ready-made, fully allocated exposure to various market themes. Bundling together several assets under a defined methodology and employing a passive investment approach, eToro's Smart Portfolios are long-term investment solutions that offer diversified exposure with no management fees.

Initial investment starts from USD 500 and investors can access tools and charts to track the portfolio's performance, while eToro's social feed will keep them up-to-date on developments in the sector. For now, this portfolio is not available to US users.

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Notes to editors:

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About eToro

eToro is a social investment network that empowers people to grow their knowledge and wealth as part of a global community of successful investors. eToro was founded in 2007 with the vision of opening up the global markets so that everyone can trade and invest in a simple and transparent way. Today, eToro is a global community of more than 27 million registered users who share their investment strategies; and anyone can follow the approaches of those who have been the most successful. Due to the simplicity of the platform users can easily buy, hold and sell assets, monitor their portfolio in real time, and transact whenever they want.

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