



ODDO BHF
ASSET MANAGEMENT

Megatrends

FOUR INVESTMENT THEMES FOR THE FUTURE

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Recent years have seen a strong investor appetite for thematic global equity funds, seeking to participate from long-term structural trends in society. These megatrends develop independently of economic cycles and affect the business models of companies. The investment experts at ODDO BHF Asset Management have identified four megatrends, which they believe will offer opportunities in the coming years.

Ecological transition

Climate change is one of the greatest challenges of the 21st century. Yet the world remains on a warming path of +2.1 to +2.4°C, well above the 1.5-degree target. There is still time to raise capital in numerous thematic areas for the ecological transition: Production of sustainable energy, increasing energy efficiency, e.g. in buildings, sustainable mobility and conservation of natural resources.

Artificial intelligence

AI already surrounds us in our everyday lives. Google search algorithms provide us with orientation on the internet, Alexa and Siri support us with voice instructions; we find new films and songs matching our tastes via Netflix and Spotify. In healthcare, artificial intelligence is already enabling more personalized medicine and more individualized treatment plans. In our opinion, the key technology AI therefore opens investment opportunities in numerous industries, not only in the technology sector.

Financial revolution

Financial services providers are facing an inevitable upheaval in all their key business areas (financing, savings, payments, and insurance). The use of innovative technologies such as blockchain, market share gains by new specialized providers, the explosion of mobile payment methods and the sharp increase in the number of digital assets are just some of the upheavals shaping the industry. According to our analysis, both fintechs and established providers embracing these changes offer investors potential opportunities for returns.

Future of Food

The way food is produced, distributed, and consumed is also facing upheaval. There is a lot at stake: To feed the world's growing population, food production must be increased by 60% by 2050. At the same time, food must be grown in a more environmentally friendly way and less of it must be wasted. Another factor is the change in eating habits in the industrialized countries. Here, more attention is paid to health, vegan or vegetarian diets are in vogue and companies that produce meat substitutes for instance are on a growth course. According to our analysis, the nutrition megatrend offers diverse investment opportunities along the entire value chain of the food system.

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