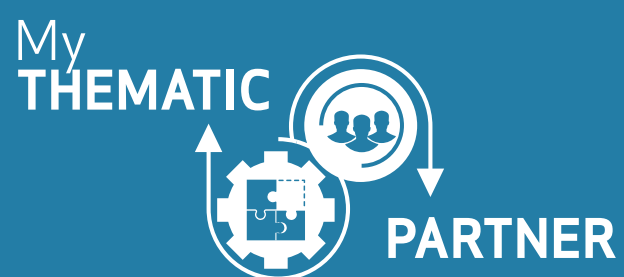


**THEMATIC INVESTING BY CPR AM**



# CPR AM, MY THEMATIC PARTNER

Technological innovations, demographic and social trends, fast urbanisation and environmental challenges, etc... The world is changing and alongside all its ecosystem. **An increasingly complex, connected and ever changing world**, where unprecedented digital innovations are disrupting the value, and at a time when we are facing major human and climate challenges to build the world of tomorrow for future generations.

At CPR AM, we are monitoring the megatrends that are driving our world and view them as many investment opportunities to seize. When these trends are part of sustainable development issues, it becomes our responsibility to propose solutions to manage the risk they pose to our societies and inevitably to investments. Disruption, ageing population, education, food challenge, climate action, reduced inequalities are a few examples.

Our thematic approach provides an alternative to traditional strategies **by seeking to capture sources for growth and performance through genuine long lasting trends to offer sustainable and transparent solutions to our clients.**

A 10-year recognised expertise



Figures as of 30 June 2020.

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# THEMATIC INVESTING



## Vafa Ahmadi, CIIA

Managing Director,  
Head of Global Thematic Equities

**Thematic investing seeks to identify structural trends able to generate superior growth over the long term.**

It aims to provide robust and resilient investment solutions irrespective of economic conditions and events. In a context of market turmoil, thematic investing stands out as an alternative to cyclical hazards.

The Equity market has been polarising between passive strategies (index funds and ETFs) and higher conviction active strategies. **As thematic investing is unconstrained and benchmark agnostic**, thematic funds are gaining ground as core holdings within a portfolio by bringing a sustainable premium over the market, called “alpha”.



“We are committed, while designing our thematic strategies, to avoid passing fads”

Vafa Ahmadi



## Estelle Ménard, CIIA

Deputy Head of Global Thematic  
Equities

## WHO IS IT FOR?

A thematic approach offers an understandable way to invest in tomorrow's winners and act for the future. By selecting a theme, investors could give a sense besides its investments and return: a sense as the ability to understand concretely the companies' activities and a sense as a judgement of a sustainable idea with social, environmental or governance considerations.

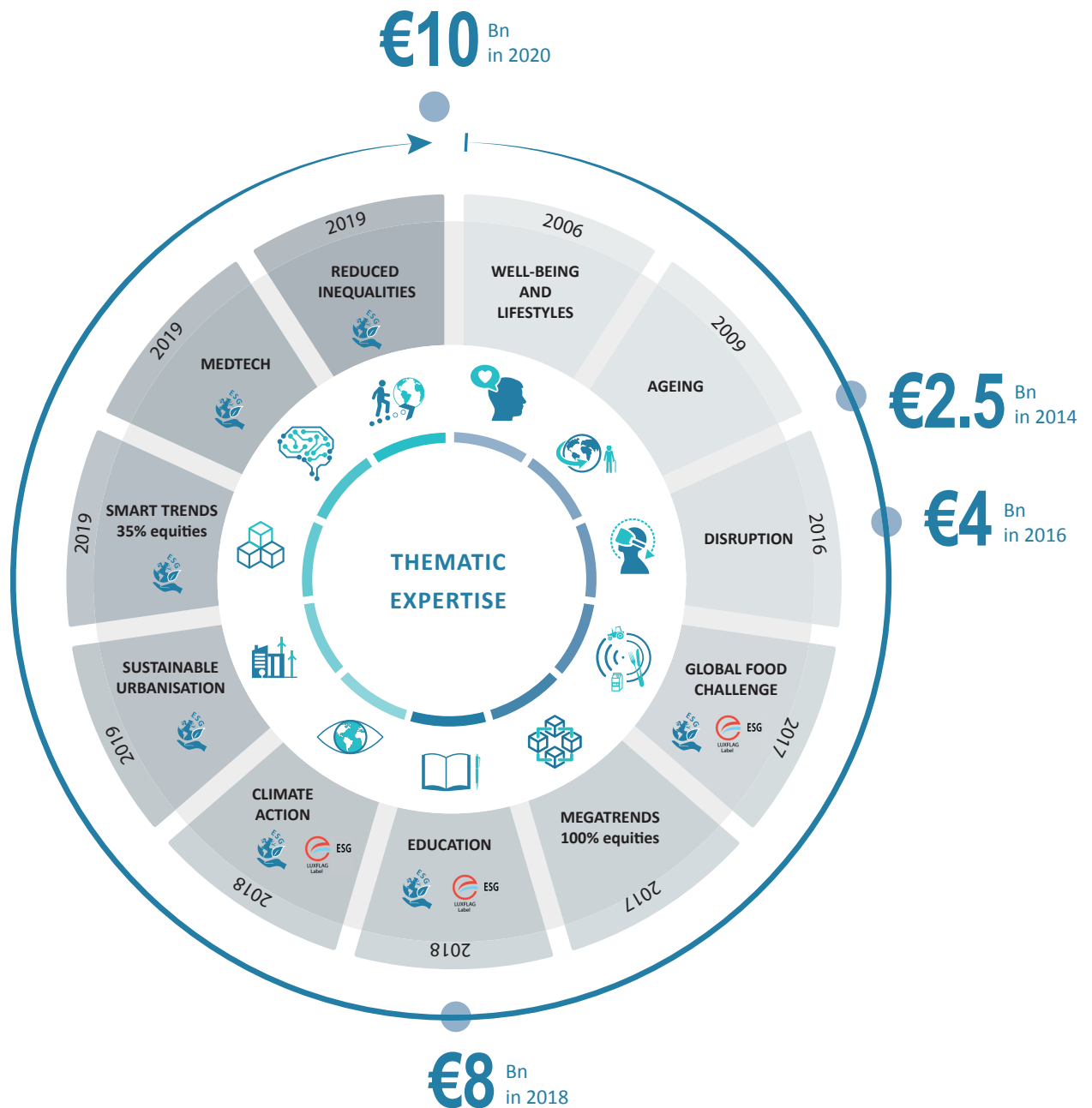
Thematic investing is suited for investors:

- **having a long-term investment horizon and consenting to a high level of risk**
- **wishing to benefit from a higher return than that of equity markets on the long term while accepting periods of underperformance due to short term market variations**
- **seeking to diversify their portfolios**

Thematic investing may result in excluding from the investment universe some sectors that are not related to a given theme. Therefore, it is likely to generate substantial performance gaps with a market index.



## A 10-YEAR RECOGNISED EXPERTISE



The investment universe must give the manager enough latitude to cope with different market phases

Estelle Ménard

### OUR APPROACH

Our unique and innovative approach consists in favouring themes where the fundamentals are not only about one sector. A broad definition of the investment universe is good for diversification and lowers sector risk. Fueled by our managers' convictions, portfolio construction is able to adapt to economic cycles and market regimes.

# OUR APPROACH TO RESPONSIBLE INVESTMENT



## WHY?

Since 2017, all the thematic solutions developed by CPR AM incorporate a responsible approach with an objective of meeting the greatest challenges of our century and are in line with the **sustainable development goals of the United Nations\***.

In a context where investors want to align their investments with their personal values, **thematic funds and responsible investment represent two complementary responses both having the vision of long-term impact as a common denominator**. Responsible investment constitutes as such a new dimension to be taken into account, in addition to the risk/return ratio, with regard to the optimal management of the investments of both our retail and institutional clients.

**The sustainable approach complements the strictly financial analysis** of our management teams and contributes to identify companies that are well positioned from an extra-financial viewpoint as well as those that, conversely, exhibit behaviours deemed inappropriate with a sustainable development and are therefore exposed to operational and reputational risks.

With identical performance, responsible investment offers many advantages to investors, including a **better risk management and a greater degree of transparency as well as the opportunity to reconcile "sense and quest for performance"**.



## WHO?

As a member of Amundi group, **CPR AM benefits from the resources made available by Amundi's Expertise ESG team**, a non-financial research and analysis center common to the entire group.

Relying on the rating system of Amundi's ESG analysis team, **CPR AM has developed its own methodology for including the extra-financial data in the investment process**. We apply this methodology to several asset classes (credit, convertibles, multi-factor and thematic equities).

\* The 17 SDGs are part of the UN's 2030 Agenda for Sustainable Development and synthesise the problems that States and companies are called upon to contribute to solving.

# OUR RESPONSIBLE INVESTING EXPERTISE

## HOW?

Our approach to responsible investment for thematic strategies is pragmatic and can be extended to various degrees, ranging **from an ESG integration alone to impact investing**.

We believe that the responsible approach begins with the definition of the investment universe. To this end, we make sure that companies that integrate this universe dispose of **a high degree of purity with regard to the theme**.

Additionally, our thematic ESG approach is based on several filtering levels in defining the investable universe by **excluding poor ESG practices**.

### OVERALL ESG SCORE



1 Exclusion of the "worst" issuers (Amundi ESG rating system)



### ESG SCORE ON SPECIFIC CRITERIA



2 Exclusion of the "worst" issuers" (Amundi ESG rating system) based on criteria closely linked to the theme



### HIGH ESG CONTROVERSIES



3 Exclusion of issuers with the "worst" behaviours (external providers)

## The Amundi SRI analysis team in figures

**26** dedicated analysts

**+9 000** issuers  
rated according to ESG criteria

**1<sup>st</sup>** place in the "SRI & Sustainability" ranking published by Extel and UKSIF, from 2015 to 2019, in the "Asset Management best firms for SRI/ESG" category

Our sustainable development approach is also based on impact indicators, which are used as a management and reporting tool. Their quantification allows management teams to adjust the portfolio allocation according to the expected impact level while at the same time ensuring greater transparency to clients on the impact generated by their investments.

### Examples of impact metrics



CO<sub>2</sub> emissions



Waste recycling ratio



Hours of education or tutoring



Board diversity



CEO pay ratio



# AGEING



Ageing is a non-cyclical and permanent investment theme, which allows to grab the deep growth potential of the Silver Economy.

## WHY AGEING?

The 20th century was the stage for a major revolution: **the demographic transition**. Infant mortality rate dropped sharply and global life expectancy at birth gained 35 years in just over a century, while the fertility rate fell by nearly 50% per woman between 1950 and 2000.

If we follow the current demographic trend, the population aged 65 and over, which numbers 703 million people today, is projected to double to 1.5 billion in 2050 and will constitute 16% of the global population.

Many developed countries will be facing this phenomenon over the coming years or decades. In emerging countries, the population will get older at a much faster pace than it was the case for developed countries. By 2050, 80% of the elderly population will be in emerging countries with China being the first emerging country to face the “ageing challenge” as its retired population shall jump from 10% to 25% in the next 15 years.

**The Silver Economy:**  
a tangible opportunity  
driven by the inexorable  
ageing of the World  
population



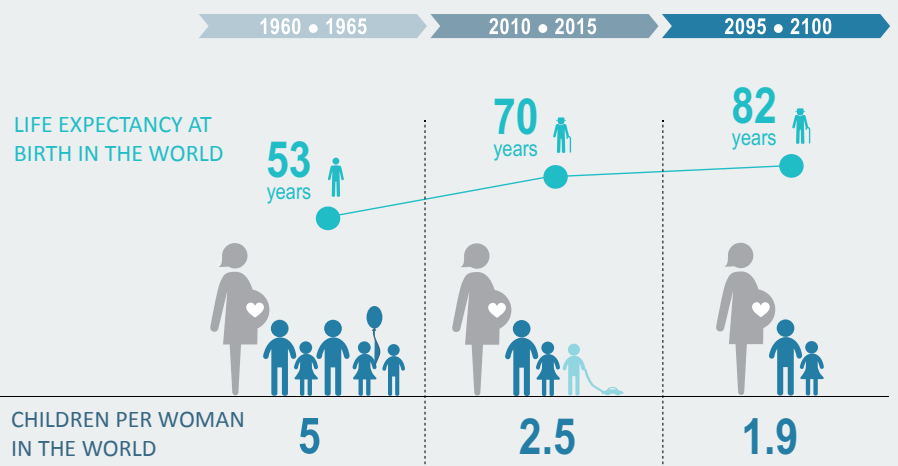
The developed countries' and China's  
Senior consumers will generate

approx. **30%** of the  
global consumption growth  
on the 2015-2030 period



By 2030, the over-65s will make up  
more than one third of the middle  
class population

## Birth and life expectancy in the world

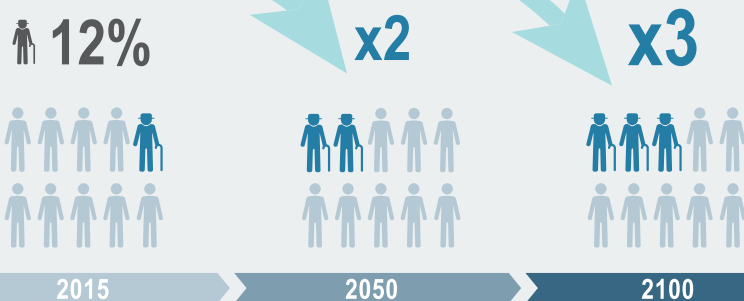




# SILVER ECONOMY: GOLDEN OPPORTUNITIES

## Evolution of the senior population in the world

PROPORTION OF THE WORLD POPULATION AGED 60 YEARS OR MORE



## Investment universe



**+3.26%**

per year,  
increase in people  
aged 60 years  
or more

## Silver Economy

**\$15** trillion  
in 2020

**3<sup>rd</sup>** largest economy  
in the world



**3** GOOD HEALTH  
AND WELL-BEING



Goal 3: Ensure healthy lives and promote well-being for all at all ages.

## OUR APPROACH

In developed economies, purchase power usually is at its highest by the time of retirement. Therefore, we constructed an investment universe through the prism of seniors' consumption, taking account of two different sub-segments of the aged population:

- **The freshly retired** have relatively high purchasing power, they want to look after their wealth and are also keen on well-being.
- **The elderly** have needs that are more oriented towards care and dependency.

These segments allow us to benefit from numerous and various sectors exposed to this population. Then, we obtain a well-diversified investment universe including more than 600 stocks divided in eight sectors.

**The universe we created provides considerable and significant benefits compared to the broader financial markets:**

- Higher growth both in terms of sales and revenues.
- A more robust investment universe in terms of earnings slowing downward trends and accelerating upward trends.



# DISRUPTION



Disruption as an investment theme aims at selecting companies identified as “disruptive” through their capacity to transform their market regardless of their sector.

## WHY DISRUPTION?

Disruption may be summarised as a game changer. Disruptive businesses challenge the established order by transforming an existing market or creating a new one. To do so, they offer **products or services that are cheaper, faster, more convenient...** and finally taken up by the consumer.

Historically, disruption was an intangible trend, a long-term phenomenon where the changes occurred over a hundred years and were therefore not perceived by the same generation. History has seen many examples of inherently disruptive innovations, such as the plough, printing, penicillin, light bulbs, aircraft, the television, etc.

The latest major innovations, such as the Internet, connected objects, robotics, driverless cars and 3D printing, have in common that they have proliferated with unprecedented speed and profoundly changed the way we live, consume and work.

While technological innovation may be the main driving force behind this acceleration, it is also the result of a combination of other factors: globalisation of trade, demographic changes and environmental challenges.



By 2030, the demand for remote work will increase by

# 30%

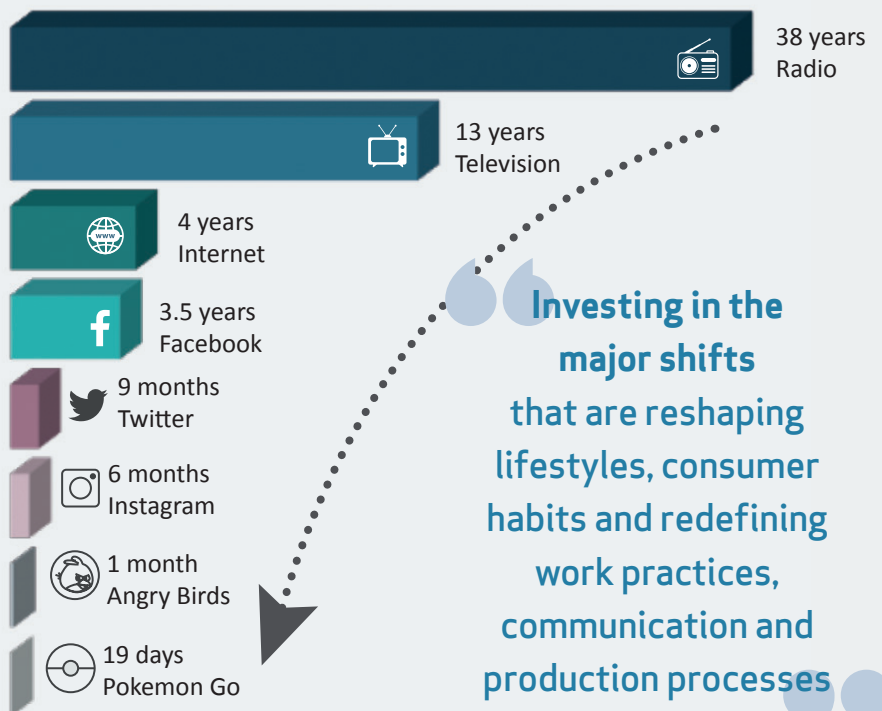


# 15%

of new cars sold around the world will be fully autonomous by 2030

## An accelerating phenomenon

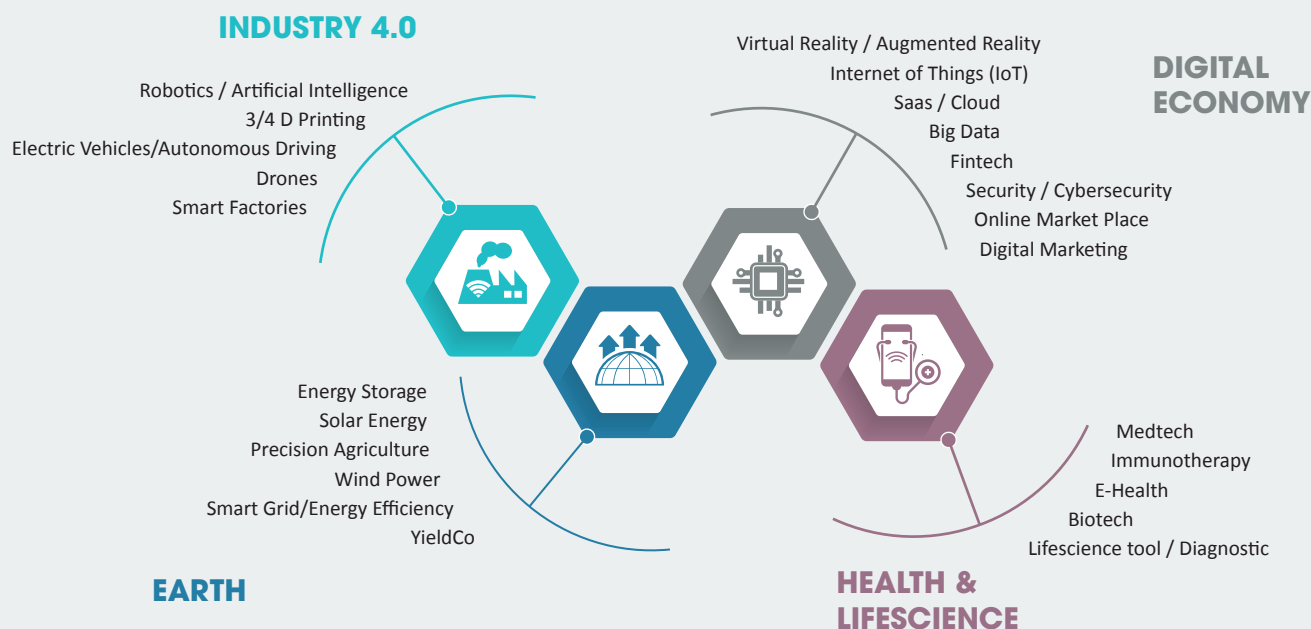
TIME TO REACH 50 MILLION USERS



Investing in the major shifts that are reshaping lifestyles, consumer habits and redefining work practices, communication and production processes

# INVEST TODAY IN TOMORROW'S WORLD

## An overview of our disruption ecosystem



**24.1** billion  
IoT connected devices in 2030  
7.6 bn 2019

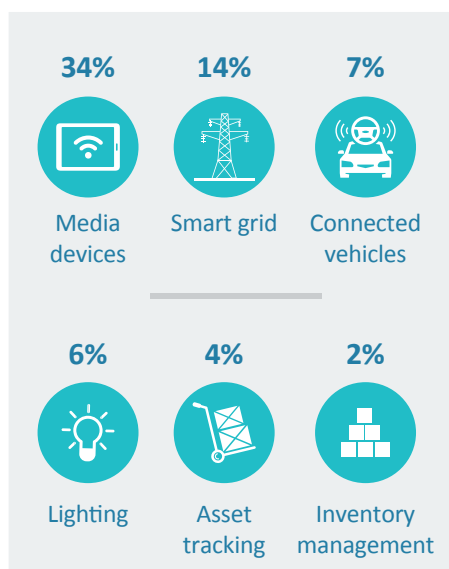
## OUR APPROACH

As disruption is happening in all sectors of the economy, our investment universe takes a broad multisector approach to seize the whole theme's ecosystem and massive growth potential.

We summarise the phenomenon into four dimensions:

- **Digital Economy:** brings people closer together, allows knowledge sharing, time saving and reduces costs.
- **Industry 4.0:** efficient, connected and intelligent manufacturing and distribution.
- **Healthcare and Lifesciences:** improved medical research for a better quality of life and longer life expectancy.
- **Earth:** relates to the regeneration of natural resources and the production of green energy.

In order to be exhaustive and bring greater diversification in to our portfolio, our investment universe of about 700 stocks includes "pure players" as well as companies who react to adapt their business models to a new market configuration.





# CLIMATE ACTION



Holding our future in its hands, climate action is a crucial priority today. Investors have a role to play, alongside States, NGOs, companies and citizens.

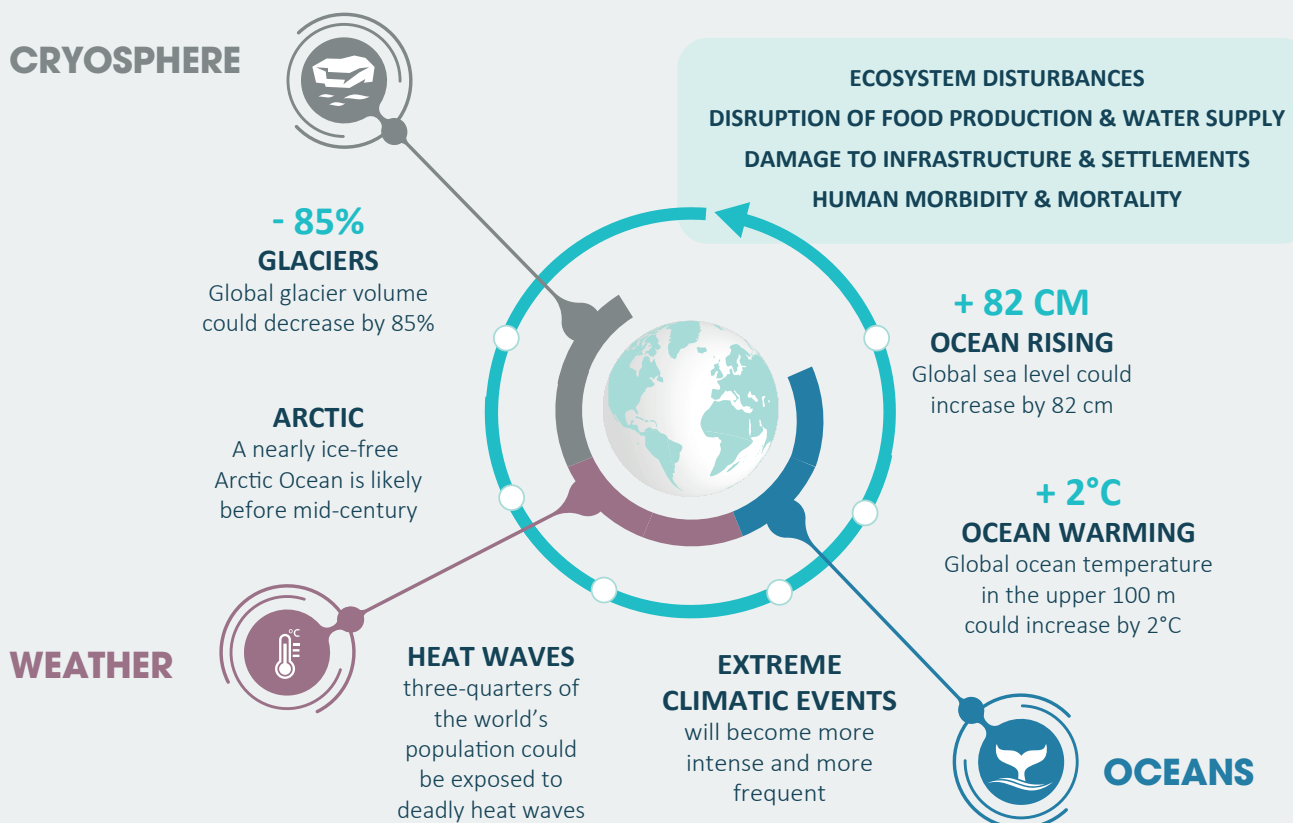
## WHY CLIMATE ACTION?

The earth's temperature is rising at unprecedented speed. NASA reports that since 2001, the planet has experienced 16 of the 17 warmest years recorded since the end of the 19th century.

A pure and simple reversal of the changes that have already begun is already beyond reach. The current environmental challenge, therefore, is to mitigate these changes through a policy of drastic reduction in greenhouse gas (GHG) emissions in order to maintain a world that is warmer but still sustainable, without additional detrimental consequences for human life and biodiversity.

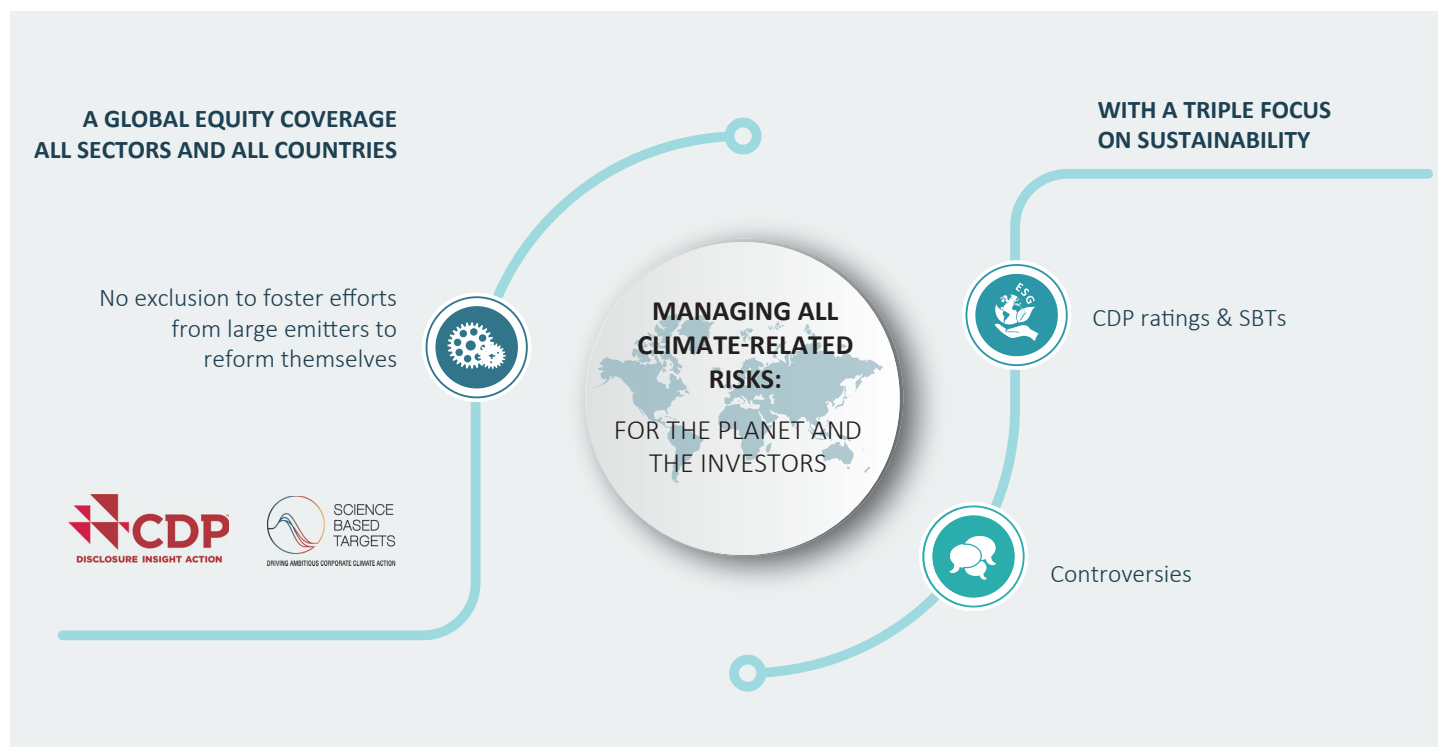
Although the urgency of climate action has triggered a response from the international community, with its crowning achievement thus far being the Paris Agreement, it is companies, which are the origin of most GHG emissions related to the use of fossil fuels and industrial processes, that are leading the fight against global warming.

## Expected consequences of global warming by 2100





# INVEST IN YOUR FUTURE, ACT FOR THE PLANET



Avoiding climate action  
now amounts to imposing  
our responsibility  
on future generations

## OUR APPROACH

**While everyone has some responsibility to act on climate change**, we, as a management company, have the ability to support and guide businesses committed to a process of environmental transition and the responsibility to consequently reduce the climate risk of our investments for our clients. **We all have a role to play in the fight against climate change** and this is why we have entered into a partnership with the NGO CDP, a pioneer in the publication of companies' carbon data.

The method used to define the investment universe, which comprises approximately 700 securities, is different from that applied in other strategies and consists of excluding sectors that are not exposed to this theme. **All sectors and all countries** are included in order to cover companies that are committed to an approach designed to limit their climate impact and to encourage the worst polluters to radically reform their activities.

Our sustainable approach, which is based on overall ESG scores and specific criteria, as well as controversy data, is enhanced with the scores provided by the CDP as well as through the incorporation of an additional exclusion level based on the ESG score.

*For more information on our sustainable approach, see the introduction.*



Goal13: Take urgent action to combat climate change and its impacts.



# REDUCED INEQUALITIES



The widening of economic and social inequalities worldwide since the 1980s is one of the major features of contemporary societies. As a result, the United Nations have placed the reduction of inequalities at the heart of the sustainable development goals.

## WHY INEQUALITIES ?

Between 1980 and 2018, the richest 1% have enjoyed twice as much income growth as the poorest 50%.

The growing inequalities and the social tensions deriving from them illustrate the prompt need of moving towards a fairer economic model. **Major listed companies, without replacing governments can play a positive role and contribute to the reduction of inequalities in the countries where they operate through their policies.**

Much like climate change, investors are showing a **growing interest in social issues**. Therefore, there is an increased investor demand for investment solutions that encourage the most virtuous companies by financing those that contribute to social progress in their country.

**This strategy provides investors with a unique solution** taking into account the financial risks associated with inequalities and making it possible to contribute to reducing them through their investments.



In 2018,  
CEOs of S&P 500  
companies earned

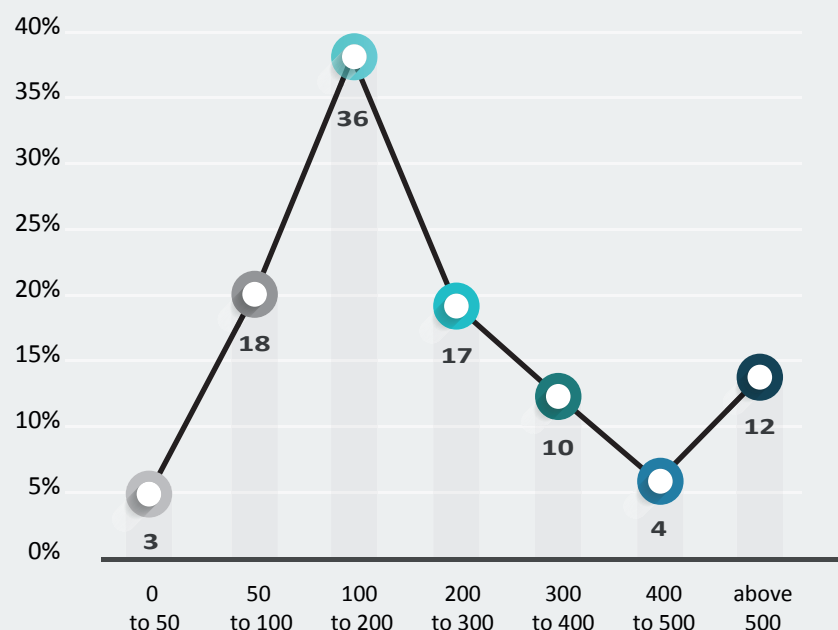
**287 times**  
more than their median  
employee



**40%**

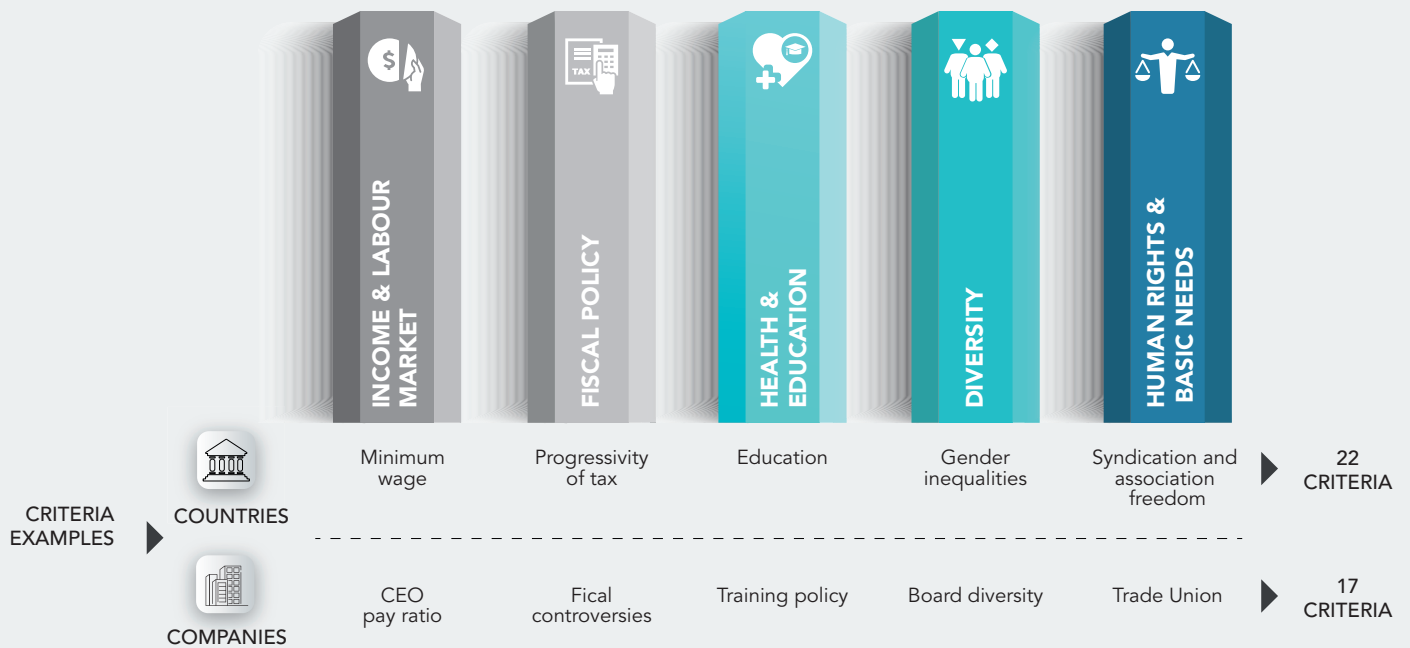
of multinational profits are shifted  
to tax havens each year

## Breakdown of the S&P 500 companies by the CEO pay ratio (CEO salary divided by median salary), 2018



# HUMAN PROGRESS IS OUR CAPITAL

## "Inequality" scoring methodology developed internally to assess companies and countries



5 generations, this is how long it takes a descendant of a poor family in the 24 countries of OECD to achieve the average national income

## OUR APPROACH

Social inequalities are produced and reproduced through the combination of several factors and they should be apprehended as a whole. We have therefore adopted a very exhaustive and pragmatic approach in defining them.

**The investment universe is built on the basis of an « inequality scoring » developed internally.** This unprecedented methodology of evaluation of companies and countries is based on specific quantitative and qualitative criteria grouped on 5 pillars: income & labour market, tax policy, health & education, diversity and finally human rights & basic needs.

By applying the « inequality scoring » to the initial universe, the whole MSCI ACWI index, the number of stocks composing the thematic universe is reduced to approximately 1,200 (38% of the MSCI ACWI).

Additional filters are applied to businesses involved in major ESG controversies, as well as on any company that scores poorly on the overall ESG criteria and the underlying social criteria.



Goal 10: Reduce inequality within and among countries.



Goal 5: Achieve gender equality and empower all women and girls.



# EDUCATION



Education is a theme that supports us throughout our lives. As a condition and driver for sustainable growth, it will be a central issue of the 21st century.

## WHY EDUCATION?

Education is one of the UN's 17 Sustainable Development Goals (SDGs).

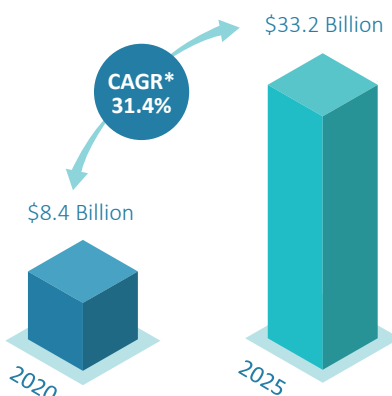
A quality, accessible education for all is the foundation of human and economic development and will contribute to the elimination of poverty and inequality. **Not only is education beneficial for society, but it is also beneficial for each individual and for companies.** With the promise of an expanded professional horizon and greater earning potential, education promotes personal well-being and development in general. Therefore, it is both an SDG and a means for achieving other SDGs.

Education needs, driven by some of the most powerful trends of our time, represent a promising potential for growth. Population growth and **the expansion of the middle class in emerging countries** are resulting in a large contingent of new students, especially in China and India. Considerable investments will have to be made all over the world, with most countries turning more and more to private education networks. In addition, profound changes in the labour market caused by technological innovations are forcing everyone to adapt their educational programmes and methods as well as to develop continuing education opportunities.

1\$  
invested in education  
=  
10\$  
of economic return

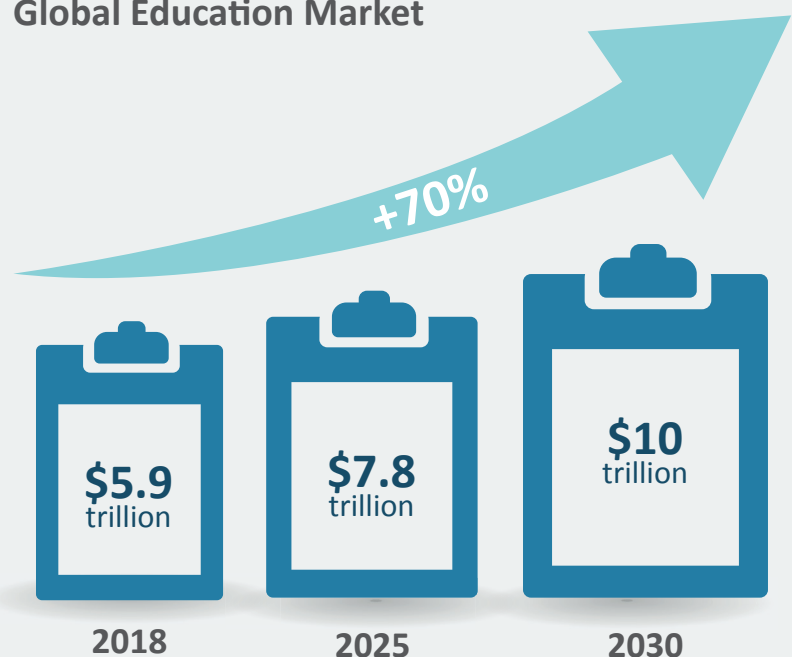


Attractive opportunities in the  
digital education market



\*CAGR: compound annual growth rate

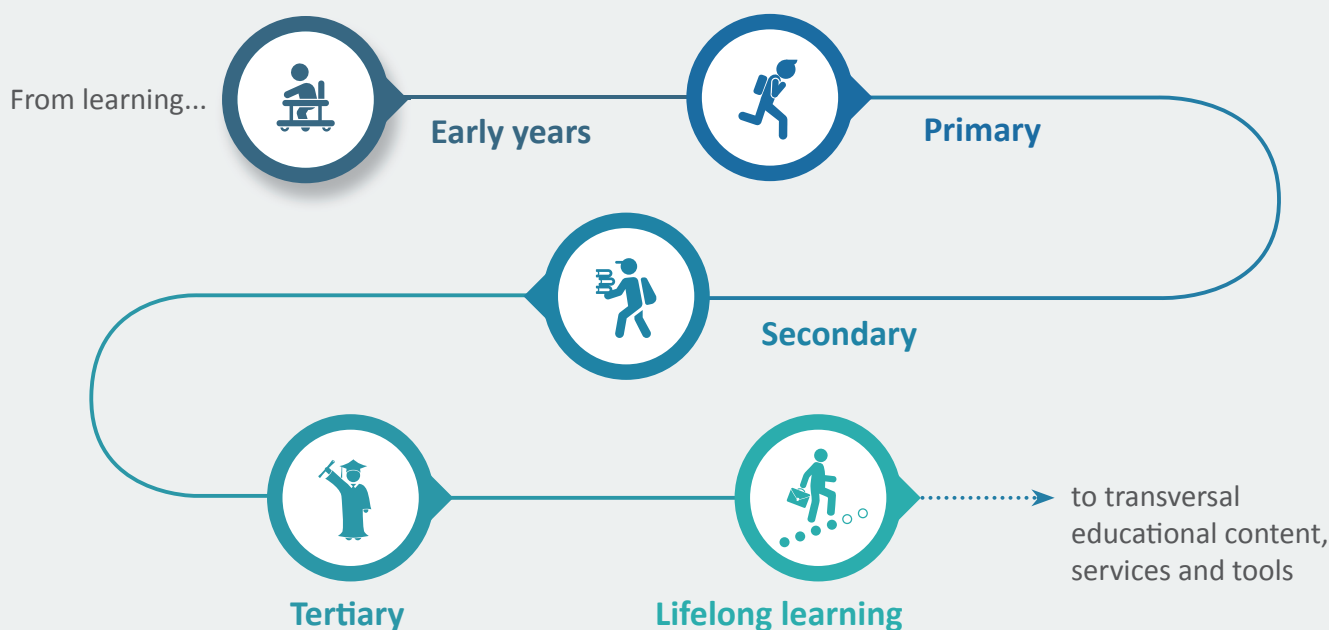
## Global Education Market





# THE GOOD EQUATION TO COMBINE RETURN POTENTIAL WITH RESPONSABILITY

A complete ecosystem covering the entire Education timeline



70%

of young people  
with tertiary education  
will come from non-OECD G20  
countries in 2030

## OUR APPROACH

The investment universe of approximately 150 securities is based around three pillars to create a comprehensive approach to the education ecosystem throughout an individual's life. The central pillar, "Educational Facilities", includes all sectors of access to education and the labour market: early childhood education, primary and secondary school / higher education / career development & lifelong learning.

It is supported by two related pillars, which are "Educational Content and Tools" (publishers of academic content / educational technology) and "Educational Services" (transportation, cafeterias and school supplies / housing).

Our sustainable approach is based on overall ESG scores and specific criteria, as well as controversy data.

*For more information on our sustainable approach, see the introduction.*



Goal 4: Ensure inclusive and quality education and promote lifelong learning opportunities for all.



Education is the most powerful investment  
that the world can make  
in its future

(United Nations)





# GLOBAL FOOD CHALLENGE



This theme expands throughout the food value chain and relies on ESG criteria to help achieve the challenge of feeding the world sustainably.

## WHY THE GLOBAL FOOD CHALLENGE?

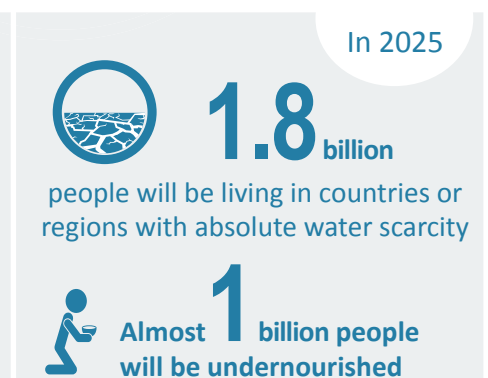
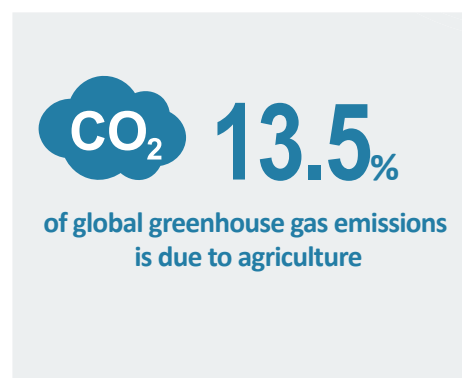
World population growth, urbanisation and rising incomes are prompting a double effect on food demand: **quantitatively, an increase in consumption and qualitatively, an evolution of eating habits.**

By 2050, the food industry will have to feed more than 9 billion people on earth with generally better living standards, who consume more and better food. Food demand is particularly strong in developing countries where consumption not only follows but exceeds population growth.

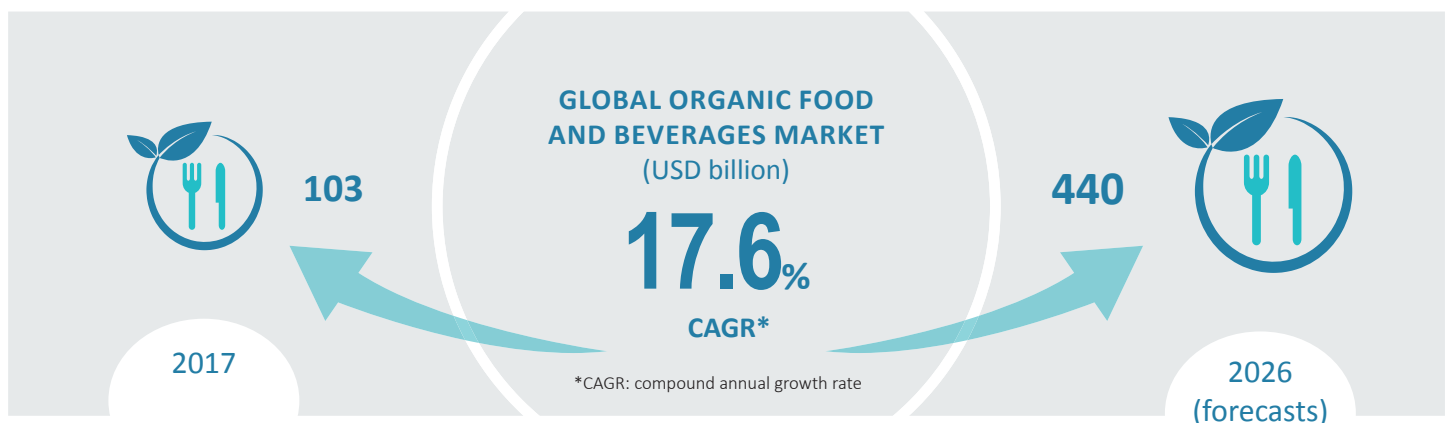
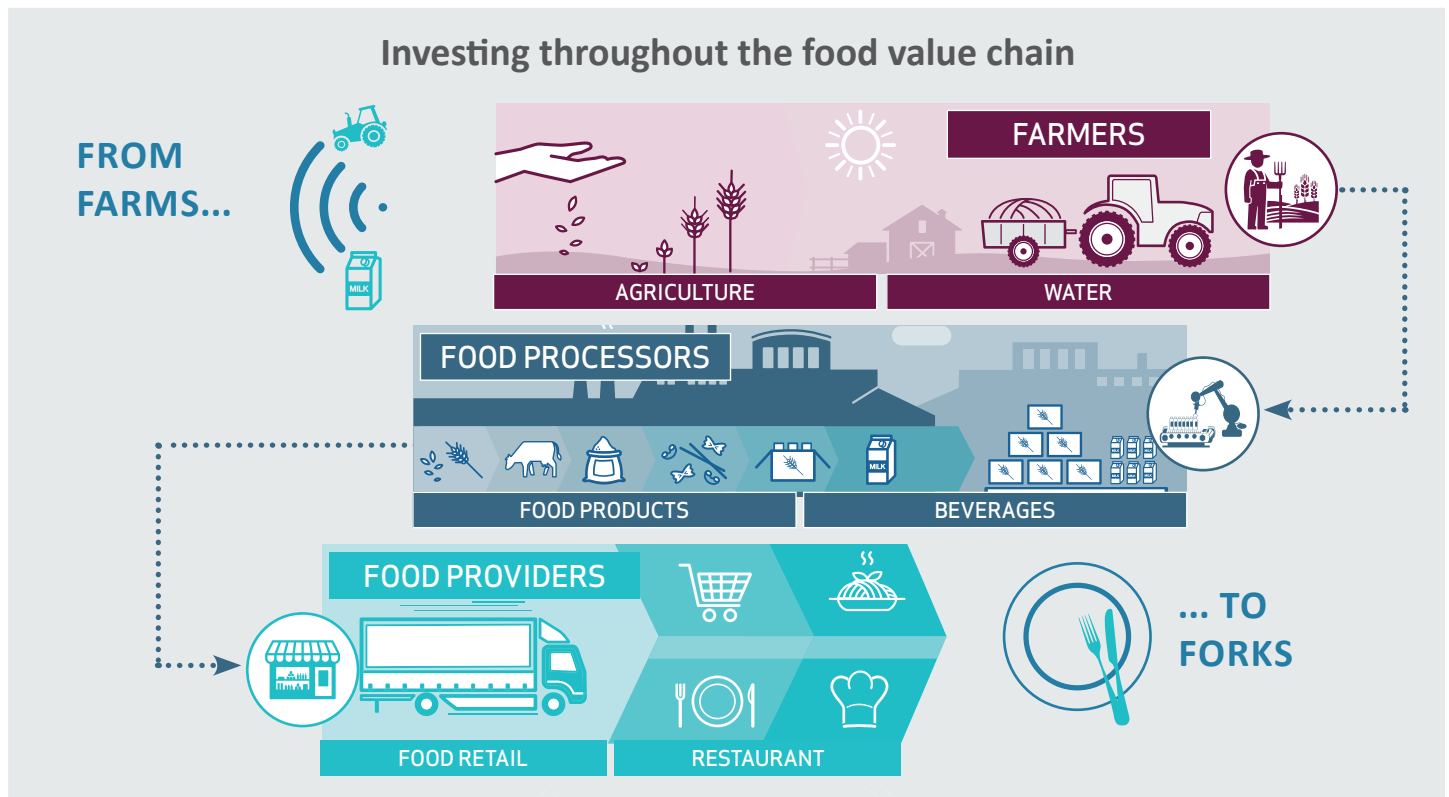
**Feeding a growing global population in a context of resource scarcity and changing climate presents a significant challenge**, as it requires to increase the availability of food while simultaneously reversing and preventing resource degradation. Increasing efficiency will be needed, through an optimised use of resources and efforts made in waste management.

**As food demand increases, eating habits evolve.** Emerging middle classes in developing countries are eager to overcome their nutritional deficiencies and diversify their diet. Consumers globally have increasing expectations, seeking convenience and flexibility with no sacrifice of quality and nutrition. While indulgence remains a key component of food consumption, health considerations and ethics are gaining ground as a central consumer aspiration.

Ensuring a sufficient and sustainable food production and provision



# FROM FARMS TO FORKS, SUSTAINABLY



## OUR APPROACH

We invest in equities, not directly in commodities.

The investment universe of approximately 600 securities spans **the entire breadth of the global food value chain, covering six distinct sectors: Agriculture, Water, Food Products, Drinks, Food Distribution and Restaurants.** This multi-sector coverage allows us to expose our investments to structural trends affecting food industries.

Our sustainable approach, which is based on overall ESG scores and specific criteria, as well as controversy data, is **supplemented with impact measurements** with the goal of minimising our carbon and water intensities and maintaining a high waste recycling rate.

*For more information on our sustainable approach, see the introduction.*



Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture



# SUSTAINABLE URBANISATION



Sustainable urbanisation is a global phenomenon and one of the greatest challenges of our century. Many investment opportunities are to be seized to make the city of tomorrow bigger, smarter and more sustainable.

## WHY SUSTAINABLE URBANISATION?

The 21st century will undoubtedly be the century of cities, which concentrate an increasing share of the world's activity and population. While powerful demographic and economic drivers - particularly in emerging countries - are fuelling the theme with growth potential, they also confront it with environmental, social and economic challenges.

The United Nations have identified sustainable urbanisation as a sustainable development goal (SDG).

**Sustainable development will leave its mark on urbanisation**, and inspire solutions to manage the influx of population, fulfill the functional needs and improve the quality of life of urban dwellers while contributing at the same time to the reduction of the environmental impact of cities. **The transition to the city of tomorrow is a source of many opportunities:** from urban infrastructures, the cornerstones of economic development and energy transition, to technological innovations for an efficient and sustainable city management, to the invention of new services to facilitate the daily life of city dwellers.



Cities as economic hubs

# 80%

of the global GDP  
is generated by cities



# + \$2000

billion  
per year

investment required in  
urban infrastructures

## Cities, demographic nests in constant growth

% of world population living in urban areas



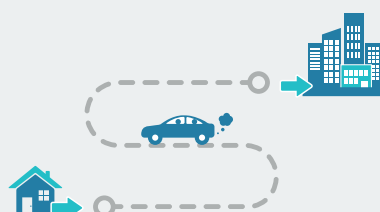
1950  
30%



2015  
55%



2050  
65%

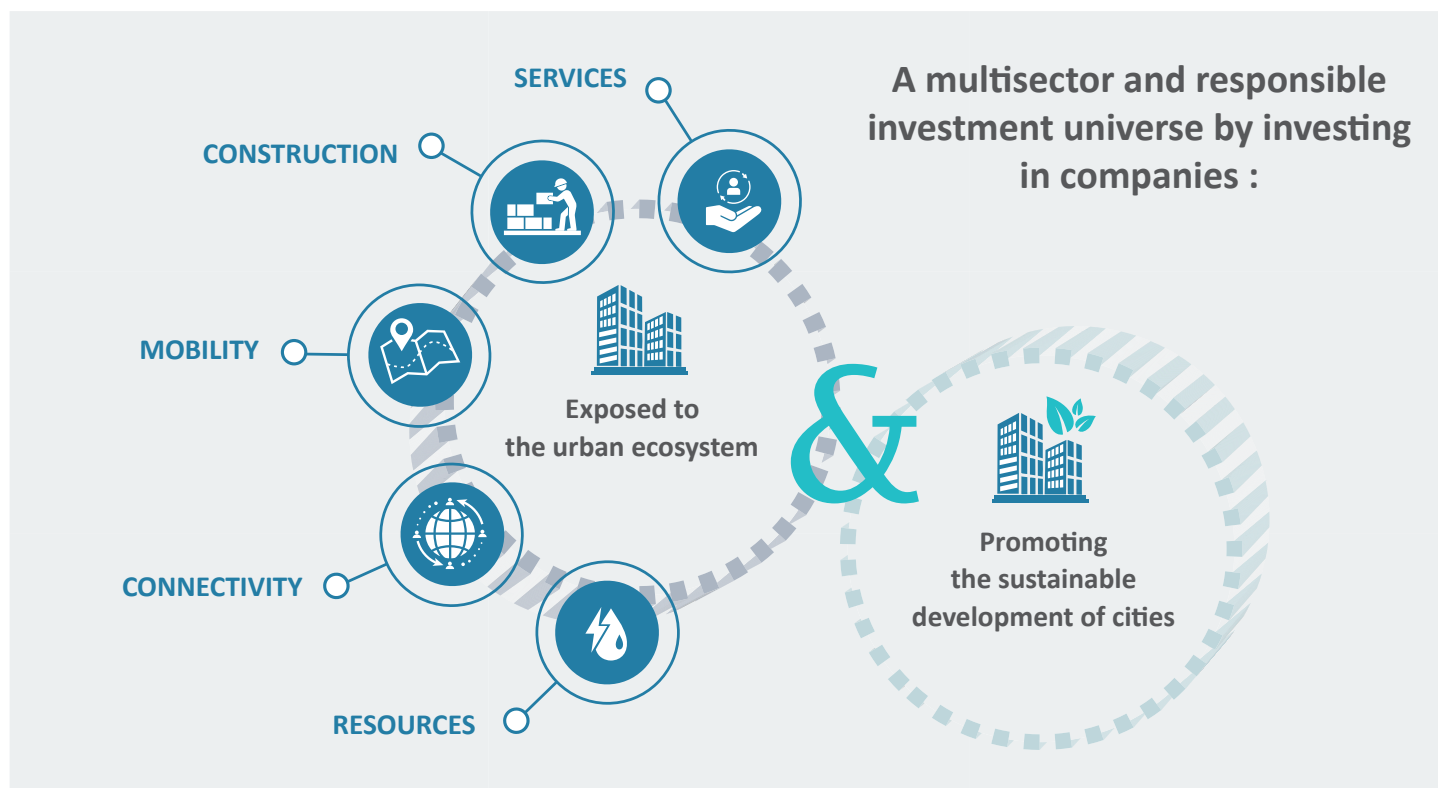


# +2.5 bn

new urban dwellers  
in 30 years



# INVEST IN EXPONENTIAL CITIES, LIVE IN HUMAN CITIES



On the environmental front, intelligent building solutions could reduce energy consumption by 40%, water consumption by 30% and CO<sub>2</sub> emissions by 15%

## OUR APPROACH

**The definition of the investment universe approaches the theme of urbanisation in its entirety.** The sector coverage is structured around five pillars, which are identified by the management team and represent the urban ecosystem: Construction, Mobility, Connectivity, Resources and Services.

The investment universe, which includes approximately 500 stocks, covers all countries and has a wide sectoral scope, being this way exposed to all the growth drivers of the theme.

In order to exclude companies considered incompatible with a sustainable and harmonious urban development, we use ESG overall scores and specific criteria related to the theme, as well as controversy data.

*For more information on our sustainable approach, see the introduction.*



Goal 11: Make cities inclusive, safe, resilient and sustainable.



Goal 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation.



# MEDTECH



The medical technology or MedTech strategy aims to improve the healthcare quality while reducing medical and hospital costs, in particular through technological innovation.

## WHY MEDTECH?

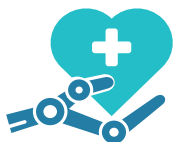
Faced with a growing and increasingly elderly population, the health sector must adapt to the large number of patients and their needs, which are constantly evolving. **Subject to continuous innovation, medical technologies can improve the quality of cares and provide assistance at all levels.** Faster, simpler and more effective treatments also meet cost restriction needs, making it possible to reduce medical expenses for all (government, professionals and patients).

**The medical technology market is growing rapidly** and is expected to reach a turnover of \$595 billion by 2024. This growth forecast of more than 5.6% over six years reflects the increasing demand in this industry driven in particular by the development of preventive medicine and patient autonomy, which are taking advantage of new technologies. In a constantly changing technological environment, industry leaders have shown a recurring appetite for financial transactions, with an average of between 230 and 270 mergers and acquisitions per year.



Telemedicine market  
could be worth

**€186** billion  
in 2026

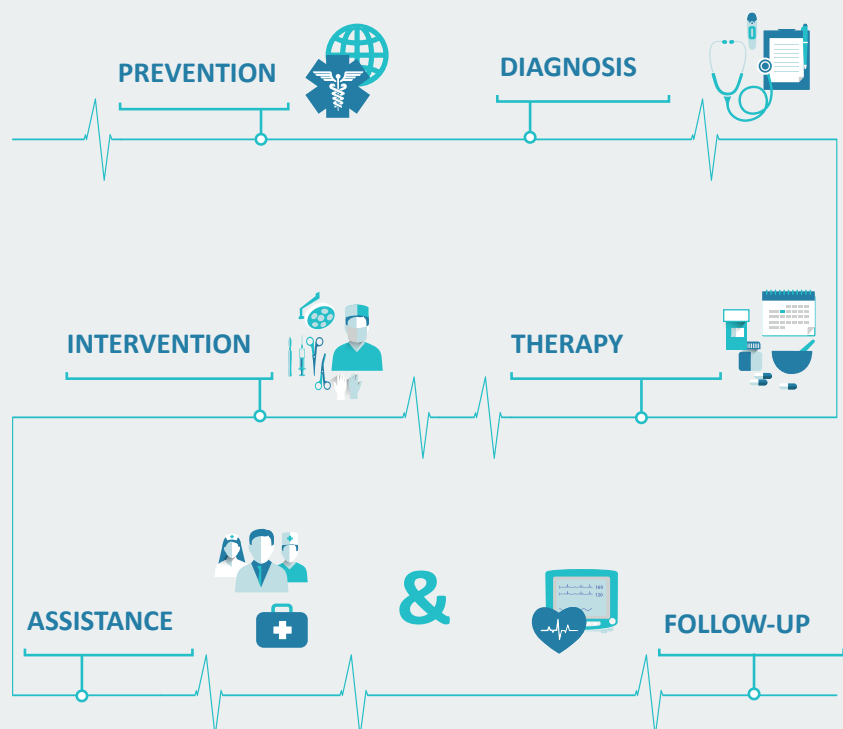


Estimated market for  
AI in health

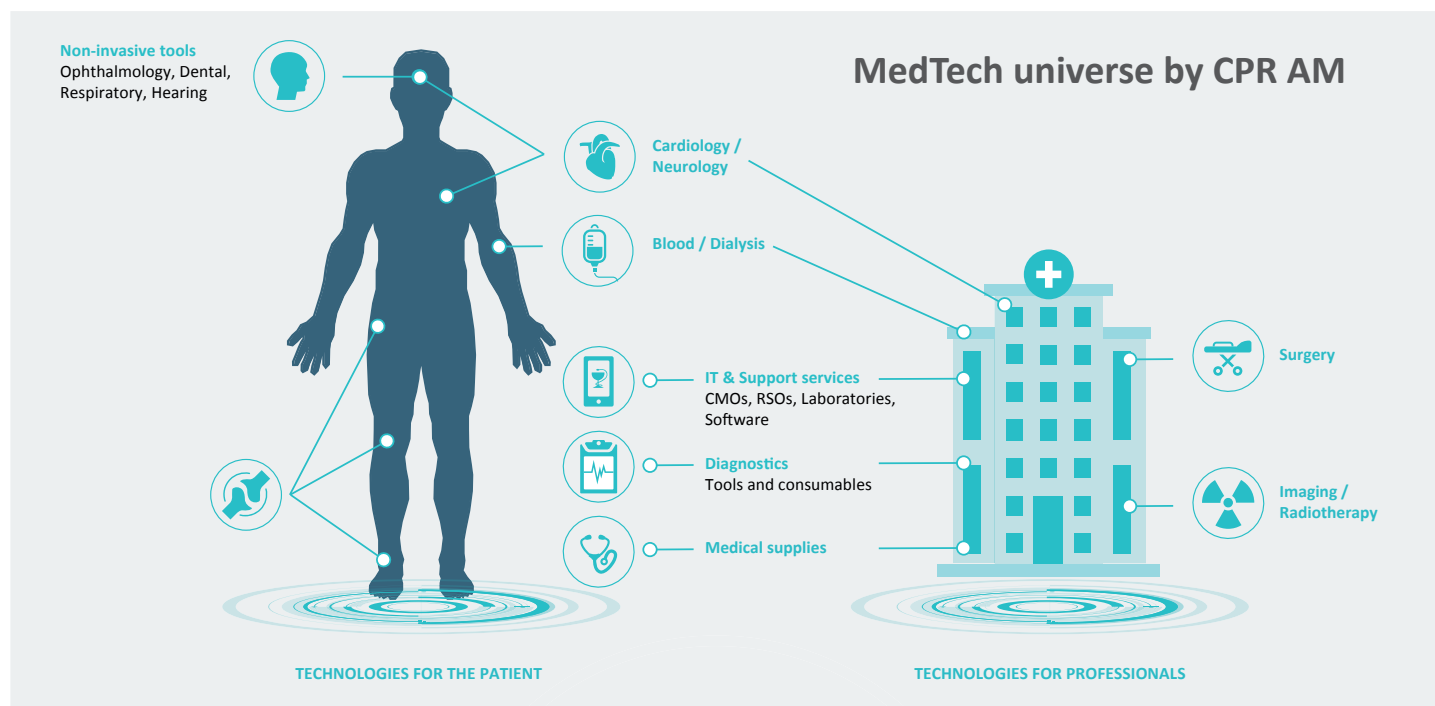
**\$45.2** billion  
in 2026

\$4.9 billion in 2020

## The main stages of the healthcare pathway



# ADD TECHNOLOGY TO MEDICINE TO FACE HEALTHCARE ECONOMIC CHALLENGES



Global spending in R&D for MedTech is expected to reach

**\$39 billion by 2024**

+70% over the last 10 years

## OUR APPROACH

The investment universe, consisting of approximately 220 stocks, includes the entire medical technology ecosystem throughout the healthcare chain. **It aims to address the issues experienced by patients, medical staff and hospitals.** We have identified different segments that can be classified into five main stages: prevention, diagnosis, intervention, treatment and medical follow-up.

We exclude from the universe companies that have the worst ESG records and average or high levels of controversies. ESG exclusion is based both on the overall record as well as on a set of criteria considered fundamental for the theme.

*For more information on our sustainable approach, see the introduction.*



# WELL-BEING & LIFESTYLES



Millennial's annual consumer spending in the US

**\$1.4** trillion



The Well-being & Lifestyles theme relies on current trends that are reshaping lifestyles and the consequent growth potential related to them.

## WHY WELL-BEING & LIFESTYLES?

Emerging new lifestyles are increasingly oriented towards self-fulfillment through pleasure consumption.

- **Global wealth creation**

Economic growth has contributed to an increased consumption across all generations and social classes. In addition to this underlying trend, consumption is undergoing profound changes that can generate a significant growth potential.

- **The quest for experiences**

Demand is shifting from materialism to real-life experiences, which will help shape identity, create life-long memories and reinforce connections to other people. As an illustration of this, the share that US consumers spend on live experiences and events has increased by 70% since 1987.

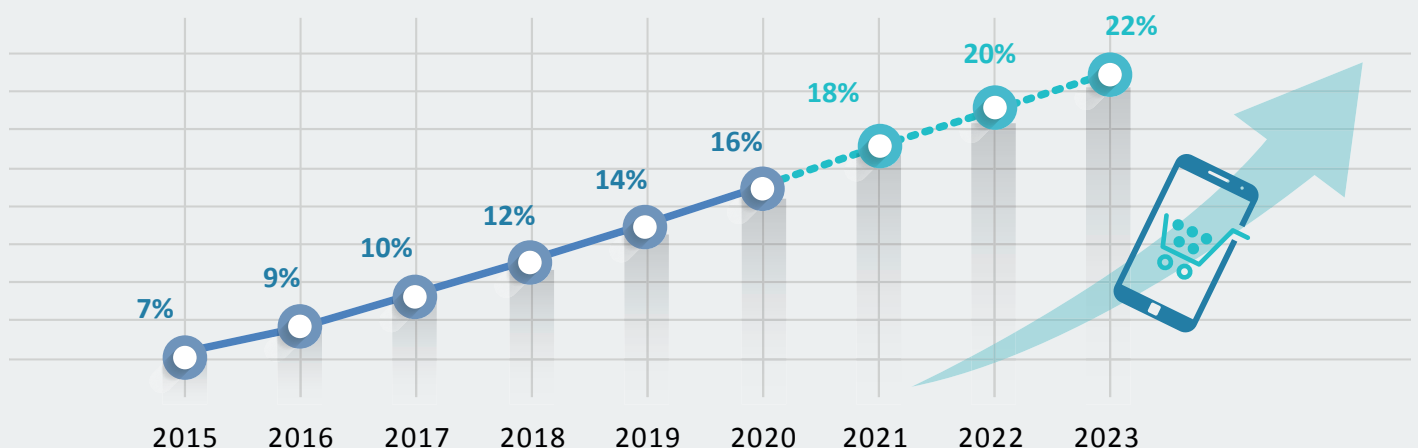
- **The influence of digitisation**

With more than 4.6 billion Internet users worldwide, digitisation is another strong driver of changes in lifestyles. E-commerce is growing at a sustained pace. Social networks allow for easy sharing and rapid growth of new lifestyles. Many brands have pushed digitisation into their marketing strategies, offering products and services that connect the consumer to the brand.

Furthermore, these powerful shifts benefit from a key catalyst: Millennials. Born after 1980, they are fueling the market with a set of distinct values, priorities and expectations, shaped by the world of increasing connectivity and rapid change they grew up in.

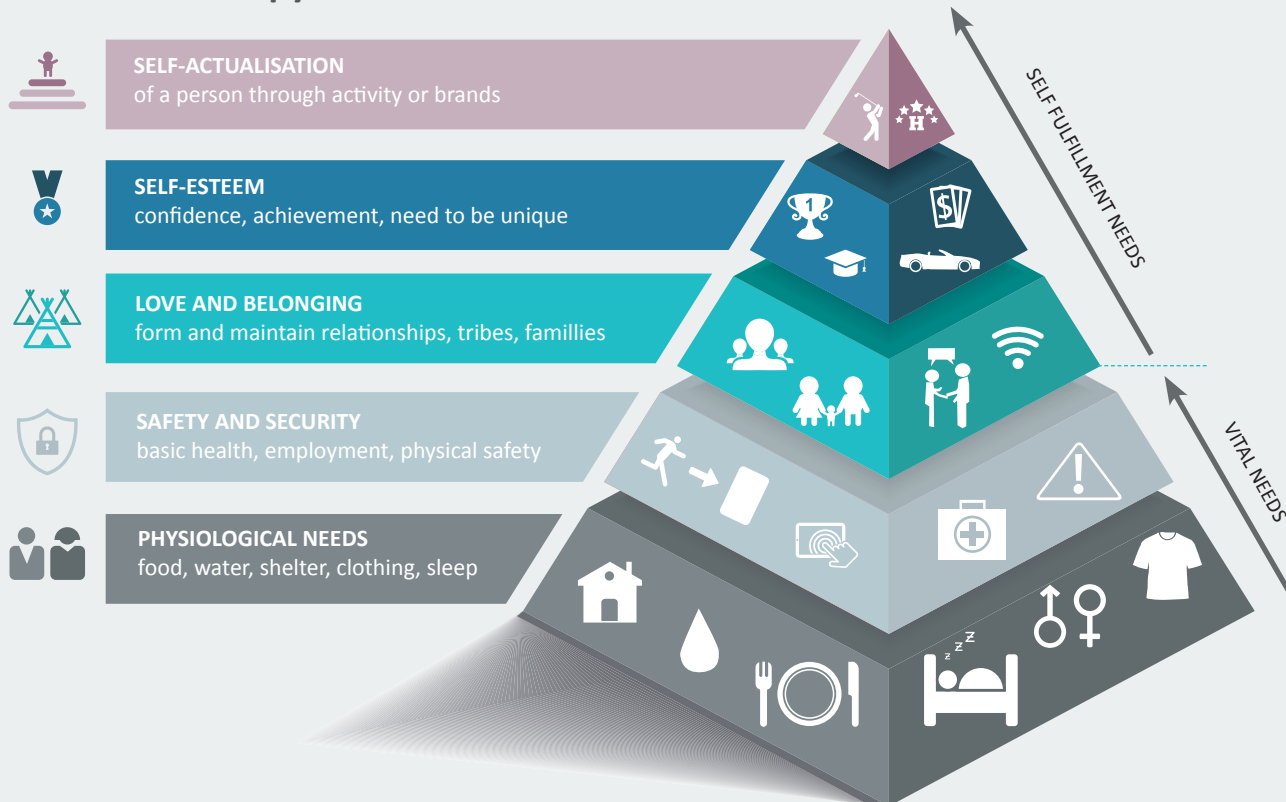
As this generation moves further into adulthood, they are gaining greater purchasing power and are forcing companies to re-examine their business models and marketing strategies.

## E-commerce share of total global retail sales from 2015 to 2023



# LOOKING FOR A BETTER LIFE

## Maslow's pyramid



## Global wellness economy

**\$4.5** trillion Market

expected to post a CAGR\* of approx. 6% during the period 2019-2023

\*CAGR: compound annual growth rate



Feeding the 21<sup>st</sup> century  
human's rising aspirations  
to pleasure and  
self-fulfillment

## OUR APPROACH

Our approach relies on American psychologist Abraham Maslow's work in which he shows that three "emotional needs" related to well-being are particularly important for individual motivation.

The need for **Belonging** to a community can be fulfilled through social networks for instance. Luxury goods carry differentiation and social prestige which contribute to satisfying the need for **Esteem**. As for the need for **Self-Actualisation**, it can be achieved through new experiences such as travel and adventure.

We invest in companies that sell products or provide services which increase well-being by satisfying one of these three needs.

Our universe is composed of about 400 stocks and extends to eight well-being related sectors: **Automobile, Wealth Management, Digital Economy, Tourism, Leisure, Wellness, Luxury, Sport & Textile.**

Such an investment universe is robust in terms of sales and earnings. Companies related to the well-being & lifestyles theme offer high growth rates thanks to their capacity to innovate or differentiate themselves.





# MEGATRENDS AND SMART TRENDS



Megatrends are at the origin of all the other themes that have been presented so far in this brochure, hence providing as many growth drivers to capture thematic alpha.

## WHY MEGATRENDS?

A megatrend is a driving force of human activity's development bringing long-term, profound changes to the societies in which it unfolds. History is not, indeed, static but filled with change. Administrative centralisation, rural flight, generalisation of wage labour, are a few well-documented examples of deep-set trends that have given birth to our modernity.

Whereas a historical retrospective of past megatrends can help us achieve a better understanding of our present, the identification of ongoing megatrends provides a means to anticipate what our future will look like. **The demographic and social changes, economic shifts, technological breakthroughs, and environmental challenges** of our time are spreading at an unprecedented pace. As they require adaptations in all sectors and from all society members (governments, businesses, individuals), they point to where value creation will take place in the near future.

The study of contemporary megatrends thus ties in with the predictable future, a future that can be modelled on the basis of estimated figures. For instance, world population growth, emergence of new economic powers, artificial intelligence development and resource scarcity stand among noticeable megatrends whose impact for the future can already be quantified.

The world's population consumed the equivalent of

**1.75** planets' worth of resources in 2019



This figure is set to rise to

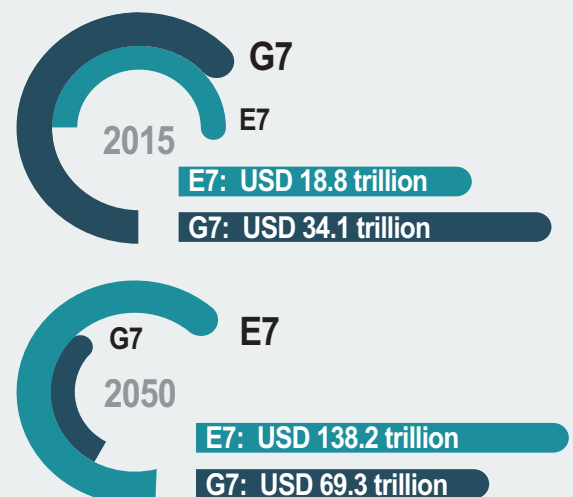
**2** planets by 2030



## GDP of G7 and E7 countries (USD)

**G7:** US, Japan, Germany, UK, France, Italy, Canada

**E7:** China, India, Brazil, Russia, Indonesia, Mexico, Turkey



2016

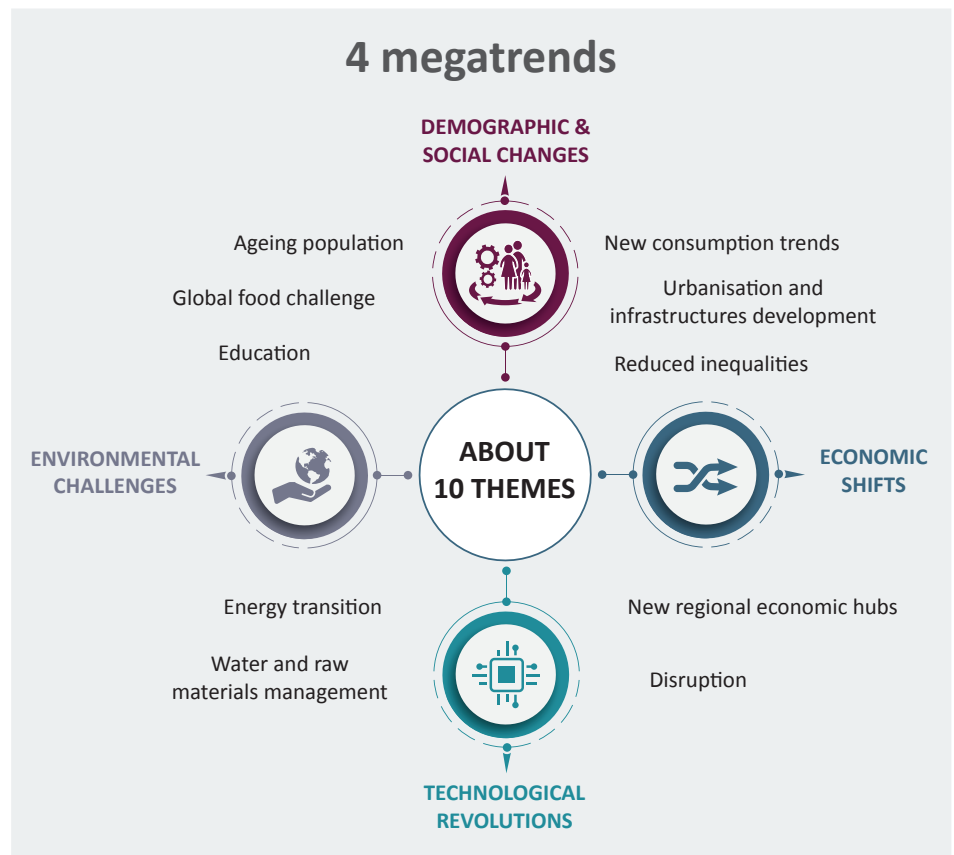
# GETTING READY FOR THE FUTURE STARTS NOW

The future is uncertain,  
but it takes root  
in our present

90%  
OF THE  
WORLD'S  
DATA  
has been produced in just  
the last two years

x10  
The amount of digital information  
will increase **tenfold** every 5 years

The **16-34**  
age group will make up nearly  
**34%**  
of the US labour force in 2024



## OUR APPROACH

In order to take advantage of all these megatrends in complete serenity, **we have elaborated turnkey investment solutions based on a dynamic allocation of thematic funds** exclusively managed within the Group. The proximity to the management team of each of the detained thematic strategies becomes therefore a major asset.

The Megatrends theme aims to capture the various long-term growth drivers associated to the underlying themes while adapting the selection of funds to the short-term market environment. **In order for our offer to better fit the different risk profiles of our clients, we have developed two alternative investment solutions to access the theme:**

- **Megatrends:** a 100% equity solution conceived for investors wishing to boost a part of their investment portfolio, which seeks to fully benefit from the theme's growth potential through a dynamic allocation of thematic equity funds. This allocation is driven by the market cycles and the convictions of the management team.
- **Smart Trends:** a multi-asset class solution designed for investors with a more defensive risk profile. The integration of thematic investments is made in a special pocket within a flexible multi asset class allocation, which leads to a tactical risk adjustment. The maximum equity exposure has been set at 35% and the fund is managed within a volatility limit of 5%. Furthermore, in our fund selection process we prioritise the investment vehicles adopting a sustainable approach (min. 50%).

# CPR AM, RETURN ON INNOVATION

## +30

YEARS OF EXPERIENCE  
IN FRANCE AND ABROAD

## +100

EMPLOYEES

## +49

€BN OF ASSETS UNDER  
MANAGEMENT

## +30

€BN IN 7 YEARS

## +37

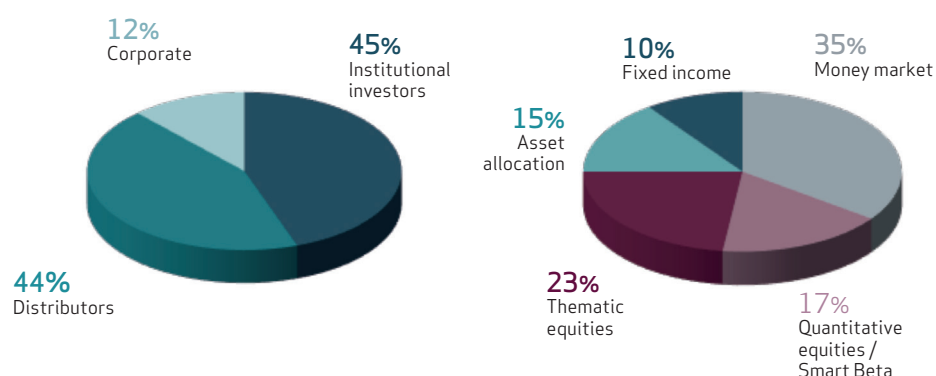
ENTITIES WORLDWIDE THROUGH  
AMUNDI GROUP

CPR Asset Management provides a variety of investment management services to private and institutional investors around the globe. It relies on the know-how and expertise of its experienced teams to deliver, over the long-term, robust results, by applying a conviction-based management style.

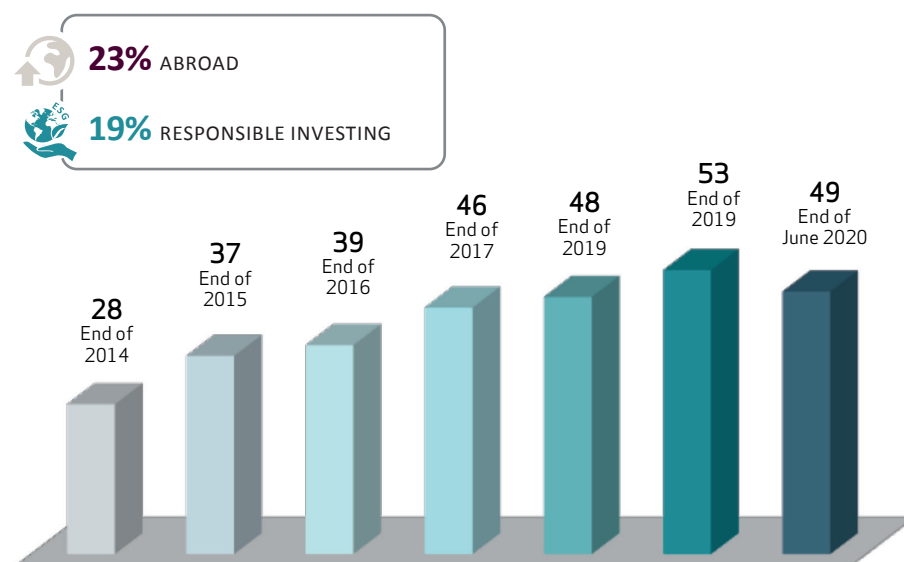
As a fully-owned subsidiary of Amundi, CPR AM's strengths are its unique set-up and profile, combining the responsiveness and accessibility of a human-scale player with the financial strengths and operational capabilities of a large-group. By the end of June 2020, CPR Asset Management had more than €49bn assets under management.

### BREAKDOWN BY CLIENT PROFILE

### BREAKDOWN BY ASSET CLASS



### ASSETS UNDER MANAGEMENT'S EVOLUTION IN BILLION EUROS



Figures as of 30 June 2020.

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## DESIGN & CONCEPT - Karine Matteotti - Marketing & Communication CPR AM

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The mark of  
responsible  
forestry