



THE THEMATIC REVOLUTION

With a three-year track record and close to €4bn in AUM*, Thematics Asset Management, an affiliate of Natixis Investment Managers, is leading the way in thematic investing



MOHAMMED AMOR
CEO, Thematics Asset Management

WITH YOUR THIRD ANNIVERSARY AND A GROWING AUM TO €4BN*, RUN US THROUGH THE STORY OF YOUR DEVELOPMENT.

In 2018, we launched our first thematic investment strategies related to the AI & Robotics, Safety, Water themes ; we also launched our Meta strategy as an all-in-one solution. Since then, we have developed three other strategies related to the Subscription Economy, Wellness and Consumer themes. We began with just six people and now have a total of 21 employees, including 12 portfolio managers**. Our aim is to target secular growth themes in the market and in order to do that, we are highly focused. Each fund is managed by a team of experts with in-depth knowledge of their areas.

We adopt a high-conviction investment approach with no constraints on where we

can invest, both geographically and in terms of sectors and market capitalisation scale.

A responsible approach was also built into the firm's DNA from the start. We believe that integrating ESG criteria to our investment processes is key to fully understand how companies are doing regarding the wide range of risks and opportunities posed by the environmental, social and governance factors.*

‘We aim to design financially attractive thematic strategies which capitalize on the secular shifts pertaining to demographic, technological innovation, globalisation and resource scarcity trends’

HOW HAS THE MARKET FOR THEMATIC INVESTING CHANGED?

I started to market thematic equities 10 years ago. At that time, thematic equities were a way to bring diversification to portfolios. But in the last two or three years, it has gained in prominence in clients' portfolios as they understand the benefits of a global, unconstrained approach and are keen to

move secular growth themes to the core of their allocations. It clearly appears that investors today want to invest with purpose. Investing in global equities using a thematic lens allows them to better grasp what they are actually gaining exposure to, and to also serve a purpose besides financial returns.

WHAT ARE SOME OF THE NEWEST THEMES YOU HAVE INTRODUCED INTO THE FIRM'S RANGE?

We constantly look for new secular growth themes. In December 2019, we launched an innovative solution related to the Subscription Economy theme, which invests in companies providing a product or service via a subscription model, be that on a B2C or B2B basis. Our first attraction to this market segment was based on the visibility of earnings these companies enjoy. The Covid crisis gave us an opportunity to observe the exceptional resilience of these businesses. When most companies had lost part of their revenues, they were still able to have a view on a very large proportion of their revenues and to continue to invest in their growth*.

In April 2021, we launched a thematic investment related to the Wellness theme. We started to think about this before the pandemic, Wellness has become a daily concern. To preserve their health capital throughout their lives, people are investing more in their physical and mental well-being. More broadly speaking, we aim to design financially attractive thematic strategies for investors, which capitalize on the secular shifts pertaining to demographic, technological innovation, globalisation and resource scarcity trends. We believe these trends will affect our world and therefore, the investment flows.

A CHANGING WORLD OFFERS NEW OPPORTUNITIES

Armour up for new safety opportunities

As technology advances, so are risks posed to the safety and security of individuals, businesses and governments. As these threats proliferate, there is a constant need for countermeasures to be developed and implemented.

The ever-growing need for greater security in all aspects of our lives, from data protection and secured payments to airport security and safe transport, is a large, diversified and differentiated investment opportunity. This forms the premise of our solution related to the Safety theme.

‘There are good stories in every part of the safety value chain. It is not just cybersecurity, it is also about automotive safety, food safety and personal safety. We can find attractive investment opportunities in almost every corner of the economy,’ Amor said.

Don't buy, subscribe

A vital transition has taken place over the last decade, as companies have shifted their services to a subscription-based model. ‘Today, consumers do not care about owning something. They want access to a broad range of services whenever they want, and wherever they are, at a fair price,’ Amor said. ‘This also applies to businesses which are also shifting to subscription rather than an ownership model for their business needs.’ Hence, we can find opportunities in both B2C and B2B universes. ‘One of the most important factors is the high visibility on revenues that subscription-based companies enjoy, which enables them to invest in their growth. Also, the subscription model means these companies have a strong relationship with their user base, which allows them to engage and develop solutions,’ Amor added.

TAPPING INTO LONG-TERM INNOVATION

A focus on secular growth themes in the global economy underpins the strategies of Thematics Asset Management.



AI & Robotics: Automation and technological improvements wrought by AI and robotics are changing how we live, interact and do business, and its rapidly becoming more prevalent in every aspect of our daily lives.



Safety: Threats in this area are constantly evolving. From individual security and cybersecurity to the threats of the Covid-19 and potential future pandemics, the world is full of hazards. But as new risks emerge, new measures are being developed to manage them.



Subscription economy: From music and video streaming to software, this new model offers providers perennial, reliable and predictable earnings streams, as well as opportunities to know their customer base and thereby deliver new content.



Water: A basic need not just for human life but also for economic development. Demand is increasing for the provision of the required quantity and quality of this scarce resource.



Wellness: Wellness has become a daily concern. To preserve their health capital throughout their lives, people are investing more in their physical and mental wellness.



Meta: This is a diversified, all-in-one solution that provides investors access to an equal-weight basis across the global strategies in the Thematics range. It invests directly in the equity of companies, rather than a fund-of-funds structure.

Watch Thematics AM three-year anniversary video and learn more



* Source: Thematics Asset Management as of December 31, 2021. Past performance is not indicative of the future performance. Please refer to the fund prospectus and the corporate website of Thematics Asset Management more information on the ESG assessment methodology of the fund.

** Source: Thematics Asset Management as of April 1, 2022.

THEMATICS ASSET MANAGEMENT : an affiliate of Natixis Investment Managers. A French SAS (Société par Actions Simplifiée) with a share capital of €191 440. RCS Paris: 843 939 992. Regulated by the AMF (Autorité des Marchés Financiers), under no GP 19000027.20 rue des Capucines 75002 Paris, France.

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