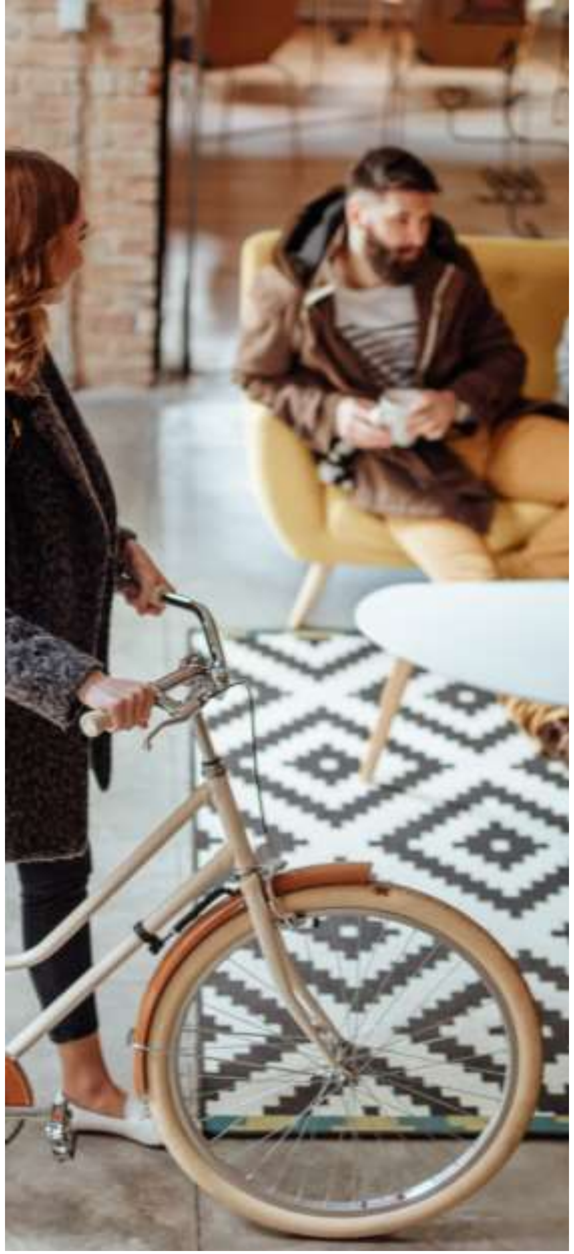
BNP PARIBAS
WEALTH MANAGEMENT

2022 INVESTMENT THEMES
May 2022 update

BNP PARIBAS
WEALTH MANAGEMENT

The bank
for a changing
world



Contents

Higher interest rates spark higher volatility and a safety-first approach

Higher interest rates in a lower growth, high inflation environment point to lower investment returns

Stocks and bonds prefer falling central bank interest rates to today's rising rates

Our investment starting point is tricky: a high inflation environment that eats away at the purchasing power of households, and potentially at company profitability.

This backdrop of uncomfortably soaring inflation has not been seen in decades, not since the 1970-1980s. Furthermore, this scenario of fast-rising prices results in a combination of a) higher short- and long-term interest rates, and b) slowing economic growth late in the business cycle.

This twin drag on economic growth of a) an effective inflation "tax" on consumers and companies, together with b) more expensive financing costs for mortgages and loans, is not an ideal cocktail for investors in the traditional asset classes of stocks, bonds, cash and property.

A historical analysis reveals that at times of higher inflation and rising interest rates, commodities including gold and oil tend to perform better, while bonds in particular struggle.

Q1 2022 proved difficult for stocks and bonds, while commodities shone

Global stock and bonds markets were finally starting to emerge from the COVID-19 health crisis, only to undergo a second crisis, namely the conflict in Ukraine, making it a difficult first quarter. The MSCI World index lost 5% in US dollar terms over Q1 2022, with no offset from global bonds or global listed real estate, which shed 6% and 4% respectively over the same period. This is a historically rare occurrence. 1994 was the last time stocks, bonds and listed real estate fell together. Commodities (including base metals, precious metals and energy) have proved a useful diversifying asset class at this time of falls in stock and bond prices, with the Bloomberg commodities index ex. agriculture up 31% over 2022 to date.

We have to plan for the current uncertain geopolitical climate persisting for some time to come. This suggests that financial markets will equally remain volatile for the foreseeable future. Markets do not like uncertainty.

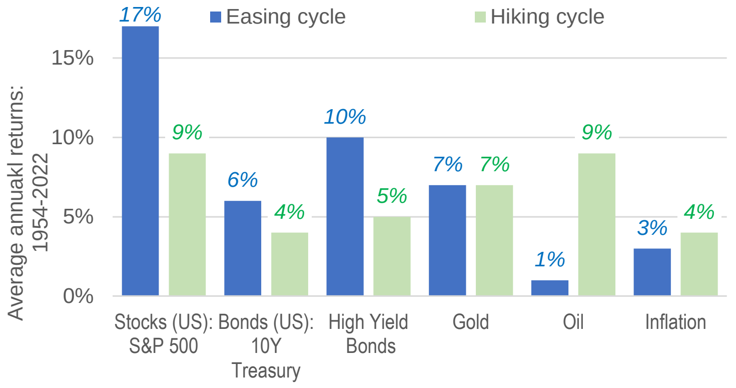
Key themes: strategic assets, inflation hedging, the circular economy

The global economy today is struggling to cope with two sets of economic shocks. The first is the damage done to global supply chains by repeated waves of COVID-related lockdowns across the world. Second, the disruption to the supply of key energy, foodstuffs and industrial metals resulting from the Ukraine conflict and related economic sanctions on Russia. Our first investment theme addressing **Strategic Assets** highlights the pressing need for countries to secure reliable supplies of energy, food, raw materials and key technologies and components from stable and predictable jurisdictions.

Building diversified **inflation-hedging exposure** via real assets such as commodities, infrastructure and real estate and other inflation-proofing assets remains a key priority in this period of high inflation volatility.

Fragile global logistics networks and ever-more expensive raw material costs represent a huge economic incentive to the **circular economy model**. Indeed, this model prioritises the optimisation of natural resource use via better and more modular design, better availability of spare parts for repair, ways to reuse or even upcycle, sell items second-hand and recycle goods at the end of life to recover key raw materials.

STOCKS, BONDS PERFORM BETTER DURING EASING CYCLES, STRUGGLE MORE DURING HIKING CYCLES



Source: Bloomberg BNP Paribas WM, Prof. Shiller, Verdad. 11 April 2022

Economic Outlook and Interest Rates

Weaker growth and higher inflation

Weaker growth but no recession

Recent business survey readings, particularly of consumer sentiment, have highlighted the impact of military conflict in Ukraine. There are, however, significant differences between countries. The eurozone is most exposed due to its high share of energy imports. Underlying fundamentals still remain solid. Job creation is very strong in most Western economies and this should support income. Public spending should expand to finance an acceleration in the energy transition towards a low-carbon economy, a priority as countries have now realised the need to reduce their dependence on Russian supply. Finally, new risks of supply chain bottlenecks should prompt companies to invest to relocalise production and to rebuild inventories. We expect Gross Domestic Product (GDP) growth in 2022 of 2.8% in the eurozone and 3.7% in the US. For 2023, the figures are 2.7% and 2.5% for the respective regions.

Inflation will stay higher for longer

The military conflict in Ukraine has fuelled increased uncertainty around inflation. Consumer price year-on-year comparisons have soared to new highs. Unsurprisingly then, inflation remains the key source of uncertainty for investors. We expect inflation to peak in the coming months, but the speed of normalisation remains unpredictable. This is mainly due to sustained high energy prices and supply-chain bottlenecks. Inflation will remain higher than pre-COVID levels due to the transition towards renewable energies and energy security. Food price inflation could also hamper the normalisation process especially in emerging economies. In our base-case scenario, we forecast eurozone inflation to reach 6.7% and 3.2% for this and next year. For the US, we expect 7.5% and 3.4%.

The path towards higher interest rates

High and broad-based inflation is putting more pressure on central banks, the US in focus. The US Federal Reserve intends to hike rates faster and harder in this rate-hike cycle to tighten financial conditions. We forecast five additional rate increases this year, starting with a 50bps rate hike in May. We thus expect the Fed Funds rate to end 2022 at 2.0%. As the Fed favours raising rates quickly, at the start of the interest rate cycle, we now anticipate the Fed to raise rates just an additional 75bps for next year, leaving our end-2023 Fed funds target at 2.75%. The Fed should announce a programme of balance sheet reduction, starting in May rather than July.

At its March meeting, the European Central Bank (ECB) announced the end of the Pandemic Emergency Purchase Programme (PEPP) and a faster Asset Purchase Programme (APP) tapering (i.e. fewer bond purchases), despite the Russia-Ukraine conflict and the impact on energy prices and European Union growth. This comforts our assumption of a) the ECB ending its net bond purchases of the APP in Q3, and b) a hike in the deposit rate in December by 25bps as it sees proof that inflation is translating into higher wages. We expect rates to be lifted three more times in 2023, bringing the deposit rate to 0.50% and the main refinancing rate to 0.75% by end-2023. General consensus is for interest rate increases across the Group of Ten (G10) economies except in Switzerland and Japan. In emerging economies, central banks started to raise rates in 2021 and should continue in order to curb soaring inflation. The exception is China which is set to continue to lower rates in a bid to strengthen demand.

GROWTH AND INFLATION

BNP Paribas Forecasts

GDP Growth %	2021	2022	2023
United States	5.7	3.7	2.5
Japan	1.7	1.6	2.0
United Kingdom	7.5	3.6	1.7
Eurozone	**5.3**	**2.8**	**2.7**
Germany	2,9	2,1	3,4
France	7	3,2	2,5
Italy	6,6	2,8	2,2
Emerging			
China	7.7	4,9	5,5
India*	8.1	9,5	7,3
Brazil	5.0	-0,5	0
Russia	4.5	-8,5	3,1

Source: BNP Paribas - 12/04/2022

* Fiscal Year

BNP Paribas Forecasts

CPI Inflation %	2021	2022	2023
United States	4.7	7.5	3.4
Japan	-0.2	1,5	1,1
United Kingdom	2.5	7	3,2
Eurozone	**2.6**	**6,7**	**3.2**
Germany	3,1	6,6	3,6
France	2	4,7	2,2
Italy	1,8	6,4	2,6
Emerging			
China	0.9	2.1	2.5
India*	5.4	6.3	5.2
Brazil	8.3	9	5.7
Russia	7	18.2	5

Source: BNP Paribas - 12/04/2022

* Fiscal Year

01

Security is the new watchword

MEDIUM TERM

MEDIUM RISK

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THEME 1

Security is the new watchword

MEDIUM TERM MEDIUM RISK

The global shocks of the past two years have triggered a shift in economic megatrends across the globe. New long-term structural trends have been set into motion, or at least given a huge boost. Structural deflation in prices of commodities and strategic technology supplies has been replaced by a focus on strategic assets – the need to secure production and the supply of critical materials, goods and services - namely foodstuffs, energy, semiconductors and internet communications.

- **Renewed focus on energy security**
- **Focus on food and water security**
- **Securing communication and the internet via cybersecurity**
- **Securing strategic technologies such as semiconductor production**

OUR RECOMMENDATIONS

Investable sub-themes according to this new strategic assets mega theme include:

1. Energy security: energy efficiency, renewable/biomass energy generation, battery metals and energy storage, hydrogen power, oil & gas infrastructure, oil & gas exploration & production, uranium/nuclear power.

2. Food security: funds that invest in solutions to combat malnutrition, via more effective water irrigation, fertilisers and technologies to boost crop yields, better food transport to avoid waste on the road to market and to the consumer, companies that combat food waste.

3. Metals and mining companies: companies in secure jurisdictions that produce the essential industrial and battery metals required to accelerate the low carbon/energy transition, including producers and recyclers of copper, tin, aluminium, nickel, silver and lithium.

4. Technology security: semiconductor and cybersecurity companies, satellite technology and networks.

KEY RISKS

- A global recession could drive severe demand destruction for energy and raw materials demand, driving commodity prices lower and thus hurting the profits of commodity-producing companies.
- An unexpectedly fast decline in inflation rates to 2% or lower could invalidate this investment theme, as this would imply a decline in energy, raw materials and goods prices to pre-COVID levels. This could be potentially triggered by large inventory rebuilds eventually resulting in widespread price discounting, as supply overwhelms demand.

Lowflation is now a thing of the past

The low inflation rates observed in the US and Europe since 2008 have been replaced by surging inflation, something not seen since the 1970s. This inflation has resulted from surging commodity prices and higher goods prices emanating from global supply chain disruptions. After a long period of energy, food and metals price deflation from 2011 until 2020, we are now confronted with a new commodity bull market, extending from energy to industrial metals and to foodstuffs.

All about energy, food, and raw materials security

Europe is a prime example of the shift in priorities, away from securing relatively cheap Russian natural gas supplies towards the pressing need today to unearth alternative sources of natural gas and other energy supplies as quickly as possible, so as to guarantee energy security within the European Union.

As regards food security, the developed world had enjoyed a productivity boom in agriculture and farming, allowing food prices to decline steadily from 1980 to 2003, and again from 2011 to 2020. The falling real (after-inflation) cost of food globally has been replaced by a sharp increase in food prices since late 2020, which is leading to civil unrest in certain developing economies.

Huge investment is required to expand the supply/production of energy, food and other raw materials to ease these price hikes. But this will take time. For the foreseeable future, these elevated commodity prices look to be here to stay, until and unless we see heavy demand destruction as people react to these high prices by changing their behaviour.

Technology security: chip production, cybersecurity

We are similarly likely to see sharply increased investment in particular areas of technology, notably semiconductor production and also cybersecurity. Up until now, the key foundation of today's technology, semiconductor chips for processing, memory, storage and sensors, have been largely produced in the Far East (e.g. South Korea, Taiwan). This new emphasis on national security is likely to trigger the construction of new semiconductor chip production in the US and Europe, so as to secure supply in this strategic industry.

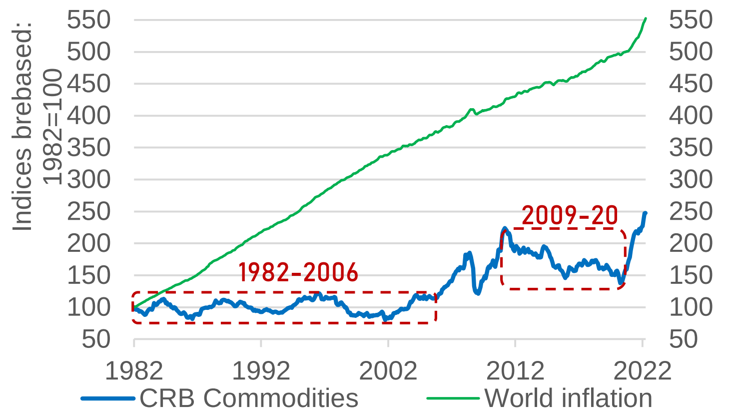
Reversing long-term underinvestment

The era of underinvesting in the US and Europe by increasingly outsourcing goods production (and even many services) to cheaper labour countries, like China and India, has largely ended on the back of COVID-19-induced supply chain disruptions. Companies now understand the need for robust supply chains, and are in many cases re-localising production of key components and assemblies in order to reinforce their supply chains. To this end, we expect companies to invest heavily in new plant and equipment closer to their home markets, avoiding geopolitically sensitive regions in favour of more politically stable locations. This should boost investment in industrial automation, given the sharply rising wage costs.

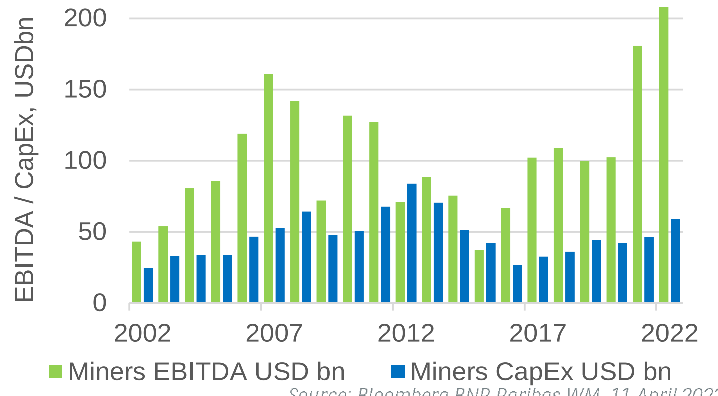
Equally, the underinvestment in global commodity production in the aftermath of the 2011 bust in commodity prices will be slowly reversed, considering today's record-low warehouse inventories and record-high prices for energy, base metals and foodstuffs. This higher capital goods investment should benefit both mining and agriculture equipment suppliers.

MEDIUM TERM MEDIUM RISK

GLOBAL COMMODITY PRICES WERE DEFLATIONARY FROM 1982 TO 2006 AND 2009 TO 2020



GLOBAL MINING COMPANIES: PROFITS NEARLY TREBLE SINCE 2012, WHILE CAPEX IS 30% LOWER



Source: Bloomberg BNP Paribas WM, 11 April 2022

02

Riding a new inflation regime

MEDIUM TERM MEDIUM RISK

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Riding a new inflation regime

MEDIUM TERM MEDIUM RISK

The military conflict in Ukraine has been fuelling even more uncertainty around inflation. Year-on-year comparisons of consumer prices have been hitting multi-decade highs of late. Thus, inflation remains the key source of concern for investors. The drivers of inflation look more broad-based than usual. Nevertheless, we expect inflation to peak in the coming months, but the speed of normalisation is quite unpredictable. This is mainly due to sustained high energy prices and supply-chain bottlenecks. We are also looking for a temporary acceleration in wage growth. However, we do not expect a "price-wage loop" (higher inflation driving higher wages, in turn driving prices even higher) as seen during the stagflation period in the 1970s. Yet the risks remain biased to the upside and investors should consider solutions offering protection against unexpected inflation or even those that benefit from it.

OUR RECOMMENDATIONS

A cross-asset theme: bonds, equities, real estate, infrastructure and commodities.

- Focus on generating income and bonds with attractive yields, such as financial credit and emerging market bonds. We also like floating-rate notes, absolute return/flexible bond funds, long/short credit, inflation-linked products with interest rate risk hedging (or short duration) and convertible bonds.
- Favour companies with pricing power and capital-light business models.
- Real assets (commodities, real estate, infrastructure) provide a reasonable long-term inflation hedge. We particularly favour life sciences and warehouse commercial real estate.
- Commodities have traditionally performed best in a higher-inflation context. They will also remain a source of inflation due to the structural shifts towards renewable energies and energy security. We expect strong demand for fossil energy commodities in the coming quarters (substitution for Russian supply) and battery and renewable energy-related commodities over the coming years.

KEY RISKS

- The main risk is inflation falling faster than expected. This could occur if energy prices were to decrease and/or reduce bottlenecks in supply chains and job markets.
- A sharper-than-expected rise in interest rates could trigger a recession, which would, in turn, reduce inflation risks.

Commodities and the super cycle

Historically, commodities have provided an excellent hedge against inflation and currency depreciation. This is, however, an imperfect hedge because commodities can often be volatile in the short term. In the present context, they are characterised by rising demand and supply constraints due to the lack of investment since 2012. We thus see the downside risks as limited.

The rush towards energy independence from Russia: the military conflict in the Ukraine has been a wake-up call for European countries, including Germany of late. This is not only true for natural gas but also oil. In the short term we expect a sharp rise in infrastructure spending in fossil energies like LNG port infrastructure in Europe and US shale oil & gas drilling. Renewable energies and storage technologies will also benefit from this new environment, as investments will be accelerated.

The path towards a low carbon economy with renewable energy: building out renewable energy generation. Requires huge quantities of base metals. Developing new mines is a long process – often a decade or more - while the potential to ramp up production of existing mines is limited. Supply growth is thus limited in the medium term. The most attractive metals are copper, aluminium, tin, and of course battery metals: nickel, lithium, cobalt, manganese and graphite. Platinum should also be considered for its essential role as a catalyst in hydrogen fuel cells.

Opportunities in equities and real estate

Focus on pricing power: all companies are facing cost pressures (plus ongoing supply chain issues) which are particularly affecting industrials, utilities, some materials, tech hardware sectors which are less able to pass through cost increases to end clients. We prefer companies that are not highly valued, and are capable of maintaining or even increasing their operating margins in this environment.

Energy and commodity-related stocks remain a very good hedge: they are backed by tangible assets with rising valuations, their balance sheets are stronger than ever and they tend to show very high free cash flow yields, allowing for new investments, dividends and share buybacks. These sectors are still cheap, particularly in Europe.

Turning to real estate, it is now time to become more selective. US real estate looks fairly priced today, whereas European REITs have lagged during the recovery phase. Real estate is a good diversifier and hedge against inflation, especially when real yields are so low. **We favour exposure to the growth real estate sectors of warehouses (industrial logistics, e-commerce) and life sciences/healthcare.**

In contrast, highly-valued growth companies tend to struggle when inflation picks up. We continue to avoid companies that announce poor results/forecasts, are very expensive, or show low profitability, because they remain very vulnerable in the current environment.

Use bonds as an inflation hedge

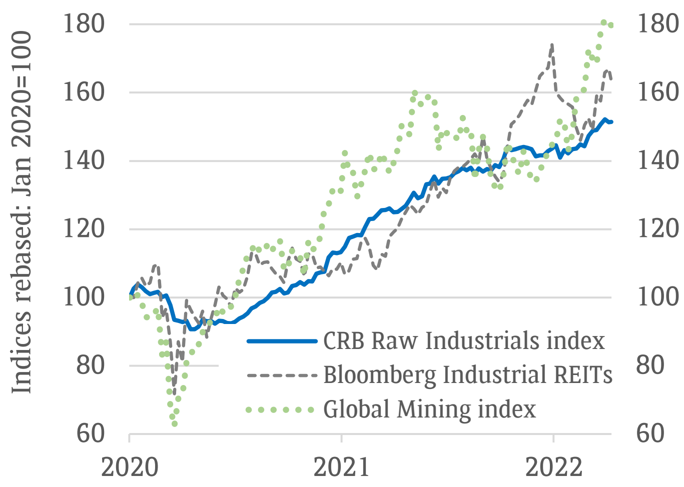
Inflation-linked bonds can be a good way to hedge against inflation. That said, they can suffer when real yields rise faster than expected. This is particularly true for longer-dated bonds. Hence, favour inflation-linked products with interest rate risk hedging (for short duration).

Floating-rate notes are better suited to the current environment of rising interest rates due to high inflation, as their coupons adjust quarterly to a short-term benchmark rate, namely the 3-month Libor or, more recently, the Secured Overnight Financing Rate (SOFR) in the US.

MEDIUM TERM MEDIUM RISK

Hence, their sensitivity to interest rates is very low. Floating-rate notes are Investment Grade-rated, so the spread pick-up can be relatively low, but they are mainly issued by banks, which tend to outperform other sectors when bond yields rise.

Raw industrial commodities, global mining stocks and warehouse real estate have performed strongly since 2020



Source: Refinitiv Datastream, BNP Paribas WM, 11 April 2022

03

Save the climate, save your pocket

MEDIUM TERM

MEDIUM RISK

Save the climate, save your pocket

MEDIUM TERM MEDIUM RISK

Sky-high raw materials and energy prices have spurred a renewed focus on circular economy models. In just four months, commodity prices (energy, metals, foodstuffs) have soared overall by 33% in euro terms. In recent years, the developed world has been used to ever-cheaper commodity prices, but this is over.

From now on, higher costs and our limited budgets will prevent us from being so wasteful.

Circular economy leaders post strong recovery: the Q1 2022 stock market correction was particularly harsh on growth-oriented stocks and sectors. But now we see an attractive entry point for investment products focused on the themes of the circular economy, energy efficiency and renewable energy.

OUR RECOMMENDATIONS

A cross-asset theme: equities, bonds, infrastructure, real estate and commodities

- Circular Economy leaders: including a focus on better and more modular design, making products more easily repairable, longer-lasting and requiring fewer raw materials to produce, with a smaller carbon footprint. This covers leading manufacturers and technology companies from a number of manufacturing industries, also major operators in the sharing economy and in leasing.
- Energy Efficiency: it is far easier to save energy rather than to generate it, via energy conservation solutions including insulation, smart glass, geothermal heat pumps, automatic light sensors and power monitoring systems.
- Smart Grid Infrastructure and Renewable Energy Storage, including battery metals, which are necessary raw materials for these storage systems.
- Renewable/Clean Energy, given the need to generate more electricity via non-fossil fuel sources to ensure greater energy security and self-sufficiency.

KEY RISKS

- An overriding political imperative to lower prices for consumers and businesses could lead to a delay in the investments and policies required to drive higher investment in the circular economy in the near term.
- The enabling of new technologies to achieve optimal use of natural resources including energy could supersede current circular economy technologies and business models in the reuse, repair and recycling of goods and services.

High inflation boosts the Circular Economy

High inflation is raising the cost of living, squeezing the average household budget and curtailing discretionary spending for most consumers. This is an unexpected economic boost for the circular economy, as it obliges households to rethink their spending on goods and services. In this environment, consumers focus on value for money: a) selling products they no longer use second-hand to raise funds, b) repairing their possessions rather than replacing them, and also c) buying second-hand goods or renting/leasing goods instead of buying them, in order to save money.

Out with the Linear, in with the Circular

We need to move away from the extract-make-use-dispose product cycle, and increasingly move towards a circular model - a new model inspired by nature. There is no waste in nature. Materials are not thrown away or lost, but instead remain in "closed loops". Products are designed and manufactured in such a way that their lives are a) extended through smart design, b) easily repairable, and either c) reused again or d) easily recycled at the end of their lifetime.

Extending the lifecycle of smartphones

One important example of the extension of use, improved reparability and more widespread recycling is smartphones. According to Statista, the average smartphone lasts 2.75 years, before being replaced. While longer than the prior 2-year average, this is still a remarkably short lifespan for a sophisticated product with such a high content of precious and battery metals. Remember: just 35% of the 53 million tons of electronic waste discarded globally are currently recycled.

New regulations obliging smartphone manufacturers to make affordable spare parts available for consumers and third-party repairers are helping to extend the effective lifecycle of existing smartphones, while a number of second-hand specialist resellers now enable an effective second life for smartphones.

Exponential increase in raw materials prices are a huge economic incentive

Not only do companies and consumers increasingly want to be mindful of the environment in their choices, but it now makes more sense for their wallets. In just four months, commodity prices (energy, metals, foodstuffs) have soared overall by 33% in euro terms. In recent years, the developed world has been used to ever-cheaper commodity prices, but this is over. From now on, higher costs and our limited budgets will prevent us from being so wasteful.

"Upcycling" is the new fashion trend

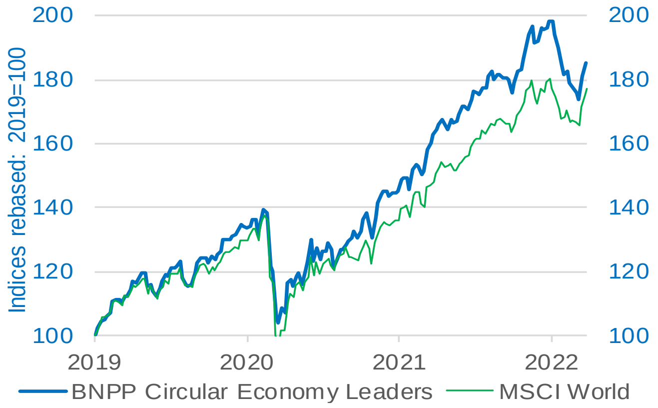
To "upcycle" means to recycle or reuse something in a way that adds to the original object's value. So, upcycling is taking something old and creating something new. Don't think second-hand, rather think of buying "vintage", "preloved", "preowned" clothes and goods – and being fashionable in an eco-friendly way!

Circular economy leaders, clean energy, energy efficiency indices all post strong recent recovery

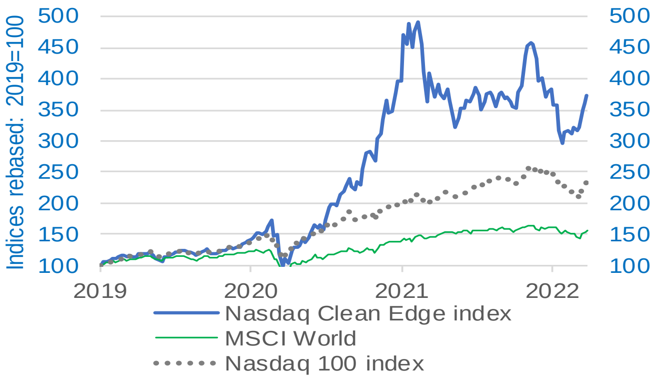
Post the recent selloff in stock markets in Q1 2022, we are seeing an attractive entry point for investors in funds and other investment products focused on the circular economy, energy efficiency and renewable energy.

MEDIUM TERM MEDIUM RISK

CIRCULAR ECONOMY INDEX HAS OUTPERFORMED MSCI WORLD SINCE 2019



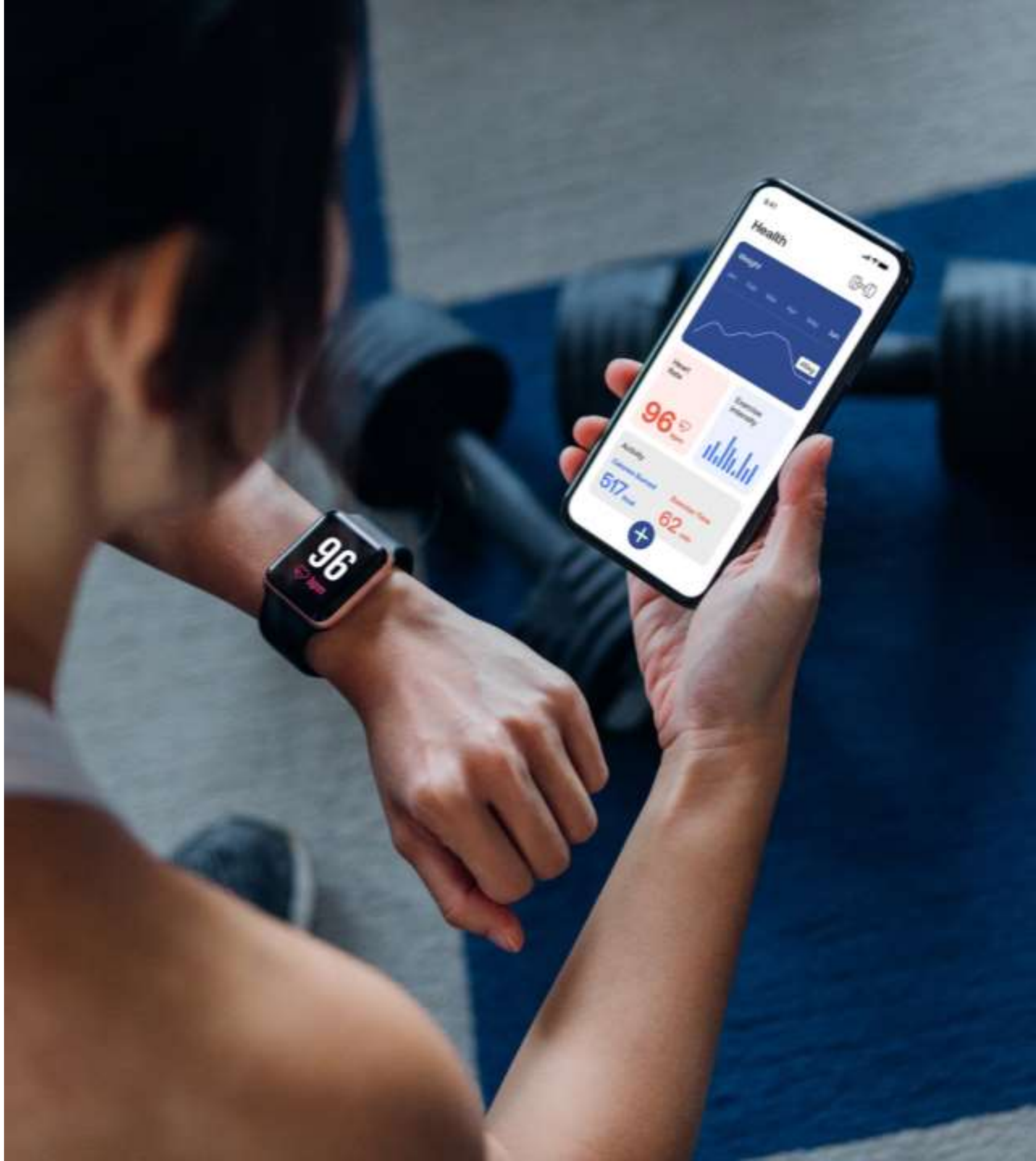
CLEAN ENERGY HAS BEEN A HUGE WINNER OVER TIME, WHILE VOLATILE



Source: Bloomberg BNP Paribas WM, 11 April 2022

04

Our initial 2022 Investment Themes



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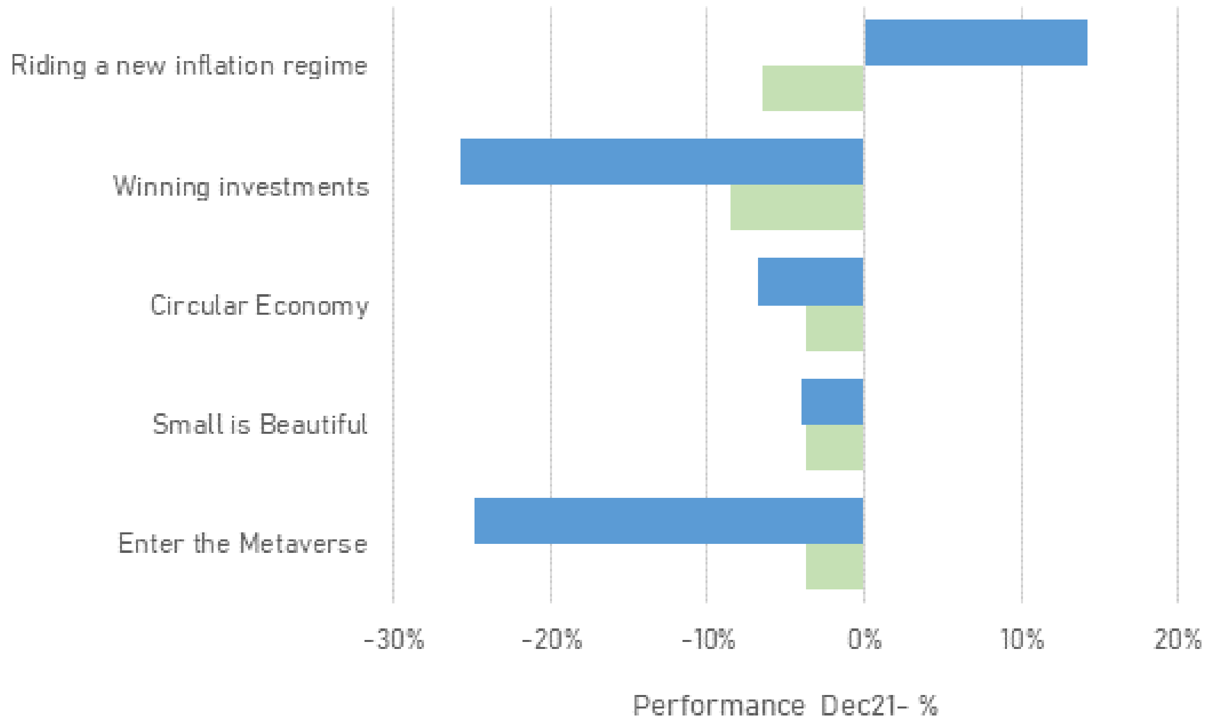
Investment Theme	Description	Suggested investments
Riding a new inflation regime *Protecting investment portfolios against high inflation*	The recent surge in energy prices, combined with double-digit house price inflation, ongoing supply chain disruptions and wage pressures point to a significant risk of higher inflation for longer.	▪ **Commodities as the** best long-term inflation hedge ▪ **Fixed income**: move away from nominal sovereign bonds, prefer floating-rate solutions ▪ Other non-equity: bonds with attractive yields, absolute return/flexible bond funds, long/short credit, inflation-linked products with low interest rate risks and convertible bonds. ▪ **Equity:** companies with pricing power & capital-light models
Identifying winning investments & innovations *A new focus on investment and innovation in the wake of the pandemic*	A combination of a) supply chain difficulties, b) post-pandemic desire to near shore; and c) strong profit/cash flow growth with d) historically cheap debt financing will all drive company capital expenditure in technology and equipment. Focus on productivity-boosting post-pandemic technology and work practices. Innovation from smaller companies and non-quoted growth companies/startups as new business starts explode.	▪ **Fixed income:** green investment-linked corporate bonds, high yield bonds ▪ **Other non-public equity:** private and listed infrastructure funds, health care and tech-focused growth private equity funds, warehousing and logistics real estate, hybrids e.g. preferred shares. ▪ (**Public) equity:** smaller company exposure (US/Europe/China), innovation in health care, innovation in applying technology to non-tech industries (e.g. construction) to boost productivity, 5G super-fast mobile internet investment/infrastructure, renewable energy/energy storage companies and funds.
Repair, reuse, recycle – the circular economy *Bolster resource efficiency, introduce new circular business models*	Companies which are designing reusable or repairable products (resale platforms and the shift away from single-use products). Includes energy storage/efficiency, water conservation/recycling, waste management, alternative foods/the future of food, agritech, ecosystem preservation and carbon capture/reuse.	▪ **Fixed income:** green investment-linked corporate bonds, high yield bonds ▪ **Other non-public equity:** private and listed infrastructure funds, health care and tech-focused growth private equity funds, warehousing and logistics real estate. ▪ **(Public) equity:** smaller company exposure, innovation in health care, innovation in applying technology to non-tech industries (construction to boost productivity, 5G, investment/infrastructure, renewable energy/energy storage companies and funds).
Small is (still) beautiful *Small companies are agile, operating in niche markets with lower competition*	Better exposure to high ongoing nominal growth and changing business models post-pandemic for productivity growth in mid-/small-cap companies in each major region. Highly correlated with cyclical value style outperformance, which we expect to continue in 2022 on steeper yield curves, strong domestic economic growth.	▪ **Fixed income**: private debt funds for unrated corporate debt, often of smaller companies ▪ **Other, non-public equity**: growth private equity funds, LBO private equity funds. Risk arbitrage and merger arbitrage hedge funds ▪ **Equity**: US/Europe/UK/Asian Small/Mid-Cap exposure (SMIDs) via funds, ETFs ▪ Benefit from late-cycle boom in M&A activity from trade buyers and also from private equity
Enter the Metaverse *The next era of the internet, immersive multimedia platforms*	Massive online social games and user-created virtual worlds, video-conferencing tools are another hint at what is to come. A platform not tied to any one app or a single place, digital or real. Virtual places will be persistent, so will the objects and identities of those moving through them, allowing digital goods and identities to move from one virtual world to another, and even into our world, with augmented reality.	▪ **Non-public equity**: tech-focused private equity funds, datacentre and 5G cellphone tower real estate. ▪ **Equity**: video games, cybersecurity, electronic payment systems, tokenisation enablers, blockchain-related companies, superfast internet providers (incl. mobile 5G), e-commerce, cross-media platform companies (Netflix, Google, Amazon, Roblox, Electronic Arts, Softbank, Tencent etc.), semiconductor producers, telemedicine and teleconferencing software/hardware.

Our initial 5 Investment Themes for 2022

Theme	Indices	Benchmarks
1: Riding a new inflation regime	BNP Paribas Energy & Metals Enhanced Roll TR index Horizon Kinetics Inflation Beneficiaries index HFRX Relative Value Fixed Income Corporate Index	USD Libor 3m (cash) MSCI All Country World USD Barclays Global Aggregate Bond index USD
2: Identifying winning investments & innovations	MSCI ACWI Autonomous Tech & Industrial Innovation index Refinitiv Venture Capital index Bloomberg MSCI Global Green Bond index	MSCI All Country World USD Barclays Global Aggregate Bond index USD
3: Repair, Reuse, Recycle	ECPI Circular Economy Leaders index	MSCI All Country World USD
4: Small is (still) beautiful	MSCI World Smallcap index	MSCI All Country World USD
5: Enter the Metaverse	Ball Metaverse index	MSCI All Country World USD

Performance of our Investment Themes for 2022 (in USD)



Source: BNP Paribas, Bloomberg. As of 29 April 2022

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