



Five of our investment themes 2020 confirm their potential

Focus on the medium-term approach

In March, the lockdown of almost half the world's population plunged the global economy into an unprecedented recession, and global stock markets shed 34% in 30 days. Although they bounced back strongly after the announcement of government measures (gradual exit from lockdown and economic stimulus policies), the short-term environment remains uncertain. It is possible that equity markets will retest recent lows: the end of lockdowns will likely see an isolated and temporary outbreak of the virus. The challenges to implementing economic policies, the impact of 'deglobalisation' and renewed trade tensions between the United States and China are likely to see episodes of increased volatility.

As a result, our central medium-term economic scenario involves a gradual recovery in the second half of the year, continuing into next year (a U-shaped recovery).

Some markets will benefit from an attractive valuation. Beyond short-term fluctuations in prices, it is important to look for opportunities to increase equity positions in the event of a fall in prices. In this context, a thematic approach should enable greater selectivity.

The Covid-19 virus crisis amplifies some trends

Structural trends now seem to be essential. The first is the search for yield in an environment of interest rates and bond yields that are likely to remain very low, for a long time to come. The expected returns on good quality bonds are now close to zero and investors are likely to move to other asset classes, while limiting risk-taking. Beyond this transition from bond markets to defensive stocks or alternative investments, some changes in the economy are also likely to generate more specific opportunities in equity markets in the medium term.



THEME 01 – High-quality stocks p.4

We must now favour companies which have high profitability, limited debt, low profit variability and large cash reserves.



THEME 02 – Defensive solutions p.5

The trend is to search for alternative returns via good quality corporate bonds, hedge funds and structured products.



THEME 03 – De-globalisation p.7

Protectionist trends and dependence on international supply chains are expected to lead to a stabilisation and even a decline in international trade in the long term. This 'deglobalisation' should provide opportunities for some companies or even for some countries. In particular, producers of goods and services which substitute imports are well positioned to benefit from this trend. The same is true for emerging market countries which compete with China.



THEME 04 – Digitalisation and technological innovations p.9

Alongside the trends in health care, this is one of the most marked trends: 5G and Artificial Intelligence will benefit from the increased communication and data needs generated by the crisis.



THEME 05 – Innovations in health care p.11

This sector is growing faster than the rest of the economy. Thanks to digitalisation, analytics, database management and Artificial Intelligence, the way treatment/care is given will change considerably at all levels and generate a wave of capital expenditure.

All the themes proposed at the beginning of the year remain attractive but will not be detailed in this document. However, an update on their performance since January is available at the end of this document.

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