



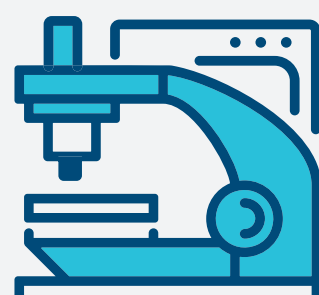
Secular Growth Forces Evolve

4 OPPORTUNITY SETS

1. Emerging Stronger Postcrisis

DIGITAL ADVERTISING

- Should benefit from **ad budgets resetting** postcrisis
- Shift from brick-and-mortar retail to online. **Customer acquisition costs** become the new rent, benefiting platform companies
- More clicks on Google's paid search links; paid click-share **nearly quadrupled in four years**, while organic search traffic declines



MEDICAL DIAGNOSTICS

- Should thrive from broad **decentralization of testing**, less reimbursement pressure
- With testing critical to reopening the economy, we expect **demand to be higher and last longer** than many anticipate

BIOPROCESSING

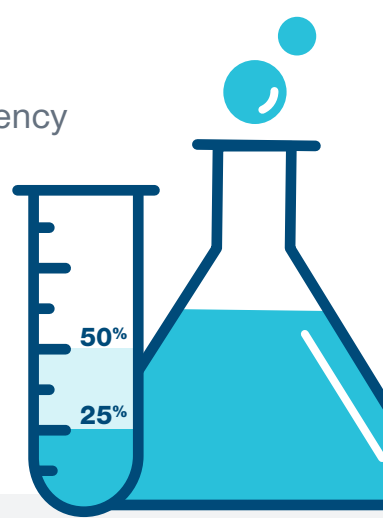
Favor manufacturers with **single-use technology** that offer improved efficiency and lower contamination risk and require less energy and water to clean

"The day you 'cut the cord,' the broadband pipe into your home becomes the only solution for connectivity and entertainment. You're even more reliant on your cable company."

Jim Stillwagon
Portfolio Manager
Communications & Technology Equity Strategy



Biologic drugs that utilize **single-use technology** are **~25%** of current production; on their way to **50%**



CABLE BROADBAND PROVIDERS

The value of the **broadband pipe** has **risen dramatically** due to increased work from home, home schooling, and at-home entertainment

2. Growth Delayed, Not Destroyed

MEDICAL DEVICE MANUFACTURERS

- Robotic surgeries will increase**, and companies are moving to a more lucrative **leasing model**
- Lack of elective procedures** has hurt medical device firms in the short term, but **growth is only being delayed**

"Robotic surgery is a great long-term secular trend where procedure penetration is somewhere in the order of 5%–6%. You're going to have more robotic procedures because they provide better patient outcomes and lower the cost for hospital operators."

Nabil Hanano, CFA®
Associate Portfolio Manager
Global Focused Growth Equity Strategy



HEALTH CARE SCREENINGS

- At-home tests will see growth as a **result of backlog**
- Estimated **1.5 million** deferred colonoscopy screenings

3. Untouched Growth Potential

TOWER COMPANIES

Demand for **5G capacity** has not slowed, and tower companies have continued rollout

The FCC is requiring

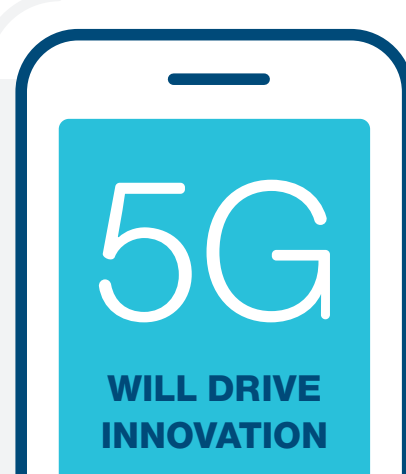


"Tower companies are well positioned to capitalize on a 4G to 5G carrier investment cycle over the next few years. COVID-19 appears to be a nonevent, given that their workers are exempt from shelter-in-place regulations."

Jim Stillwagon
Portfolio Manager
Communications & Technology Equity Strategy

SMARTPHONE SUPPLY CHAIN

- Smartphone makers will work to introduce new phones in 2020 and 2021 to **take advantage of 5G**
- 5G means phone internals will be reworked, which will drive innovation and benefit supply chain and **factory automation companies**



4. Contrarian Opportunities

CONSTRUCTION

Economic crisis accelerates **shift to a rental model** as customers feel the pain of owning equipment that they can't use



"We believe that the structural shift to renting equipment is a long-term trend, as companies want to have more asset-light operations. These businesses tend to have meaningful scale advantages."

Nabil Hanano, CFA®
Associate Portfolio Manager
Global Focused Growth Equity Strategy

SEMICONDUCTOR MANUFACTURERS

Shift to electric vehicles has not been heavily impacted by COVID-19. Electric vehicles offer higher power semiconductor content; **we expect demand to rise**



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