



# Investing in powerful structural growth opportunities in global equity markets

June 2024

**Zehrid “Zed” Osmani**

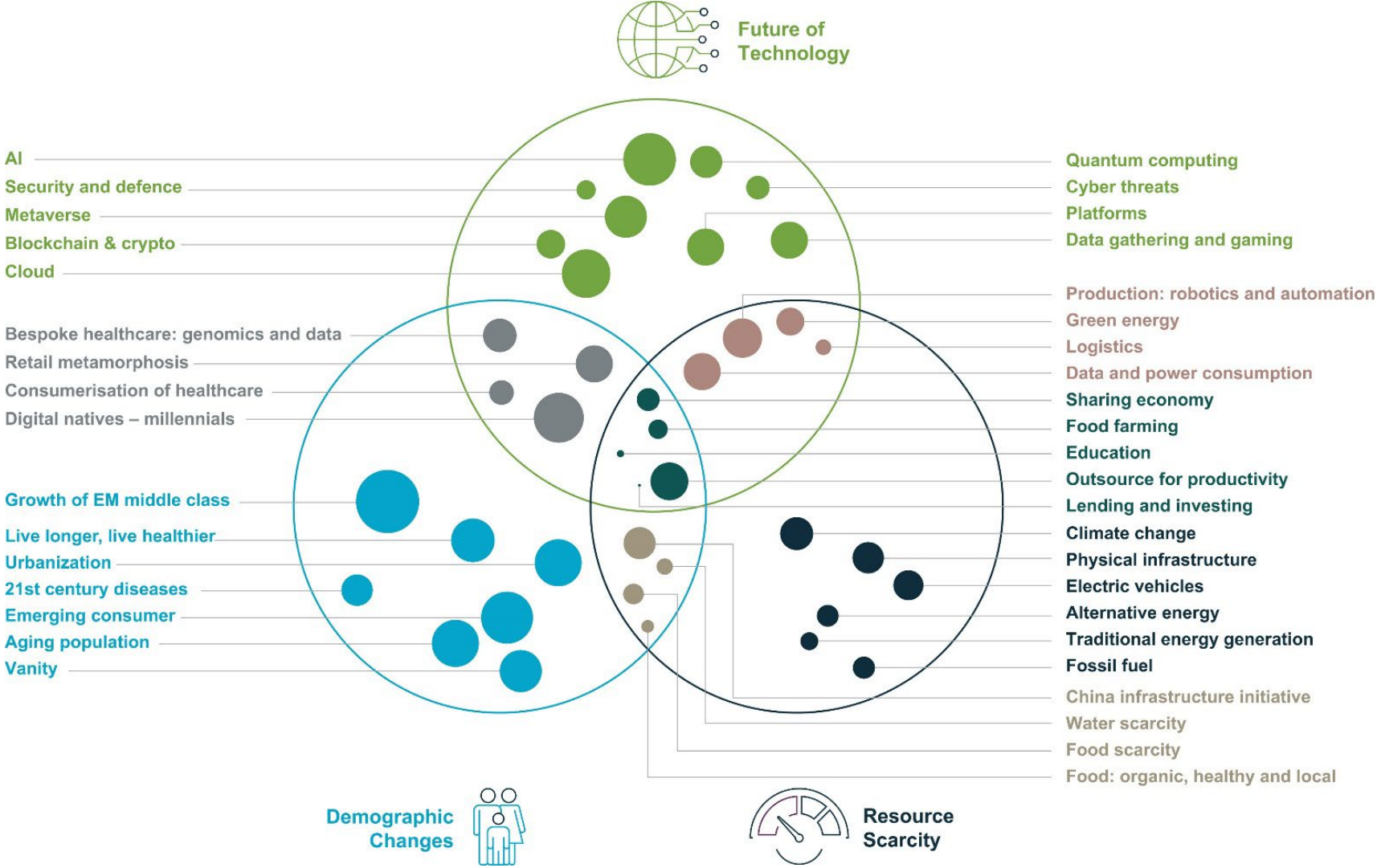
Head of Global Long Term Unconstrained Equities

Lead Senior Portfolio Manager

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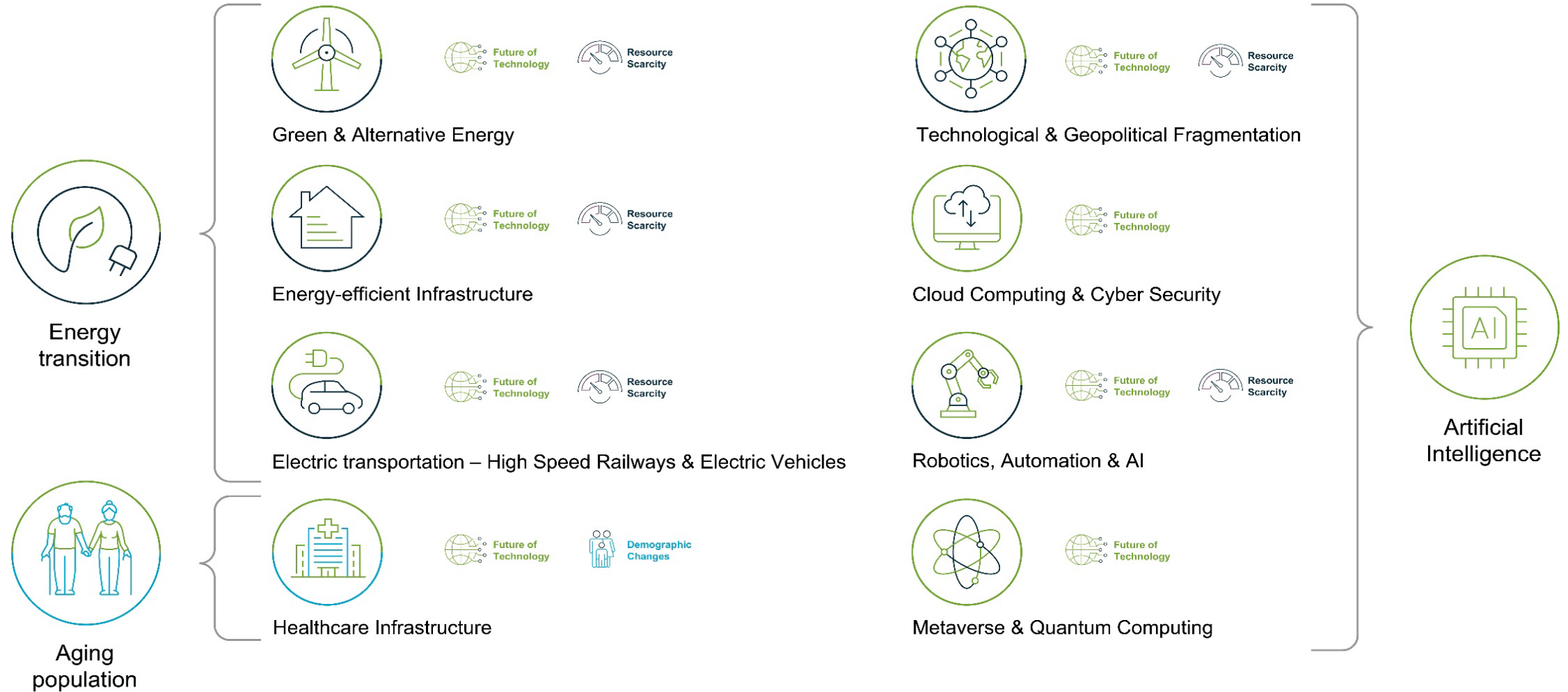
# LONG TERM MEGATRENDS UNDERPINNED BY THEMATIC



**AI is present across a wide range of themes within our three mega-trends**

Source: Martin Currie and FactSet as of 31 March 2024. Data presented is for the Martin Currie Global Long-Term Unconstrained representative account.  
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# MEDIUM TERM THEMES FACING SEISMIC SHIFT: AI, ENERGY TRANSITION AND HEALTHCARE



**Attractive long-term thematic opportunities underpinned by a significant investment cycle**

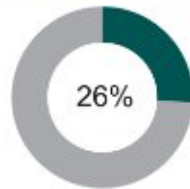
# ENERGY TRANSITION - REVOLUTION IN ENERGY

## 1.5 Necessary growth of selected key energy components for reaching 1.5°C

Share of renewables in electricity generation



2018 - 2021



2050



Investments needed in:



Renewable energy

0.3  
US\$ trillion/year

1.0  
US\$ trillion/year



Energy efficiency

0.3  
US\$ trillion/year

1.5  
US\$ trillion/year

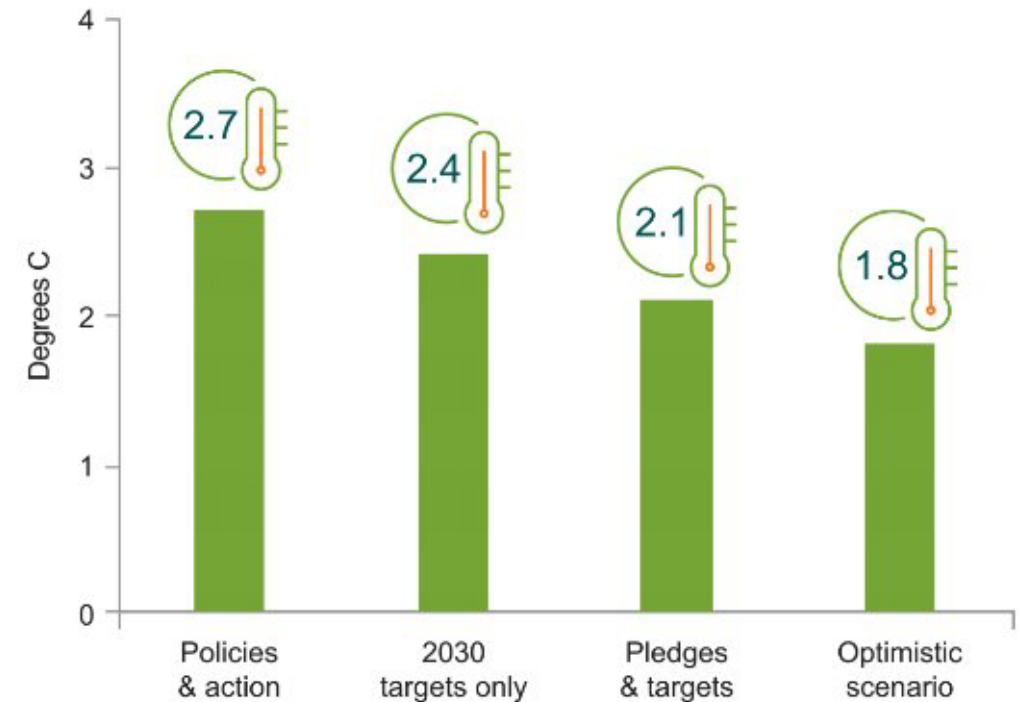


Electric vehicle charging infrastructure

2.0  
US\$ billion/year

131  
US\$ billion/year

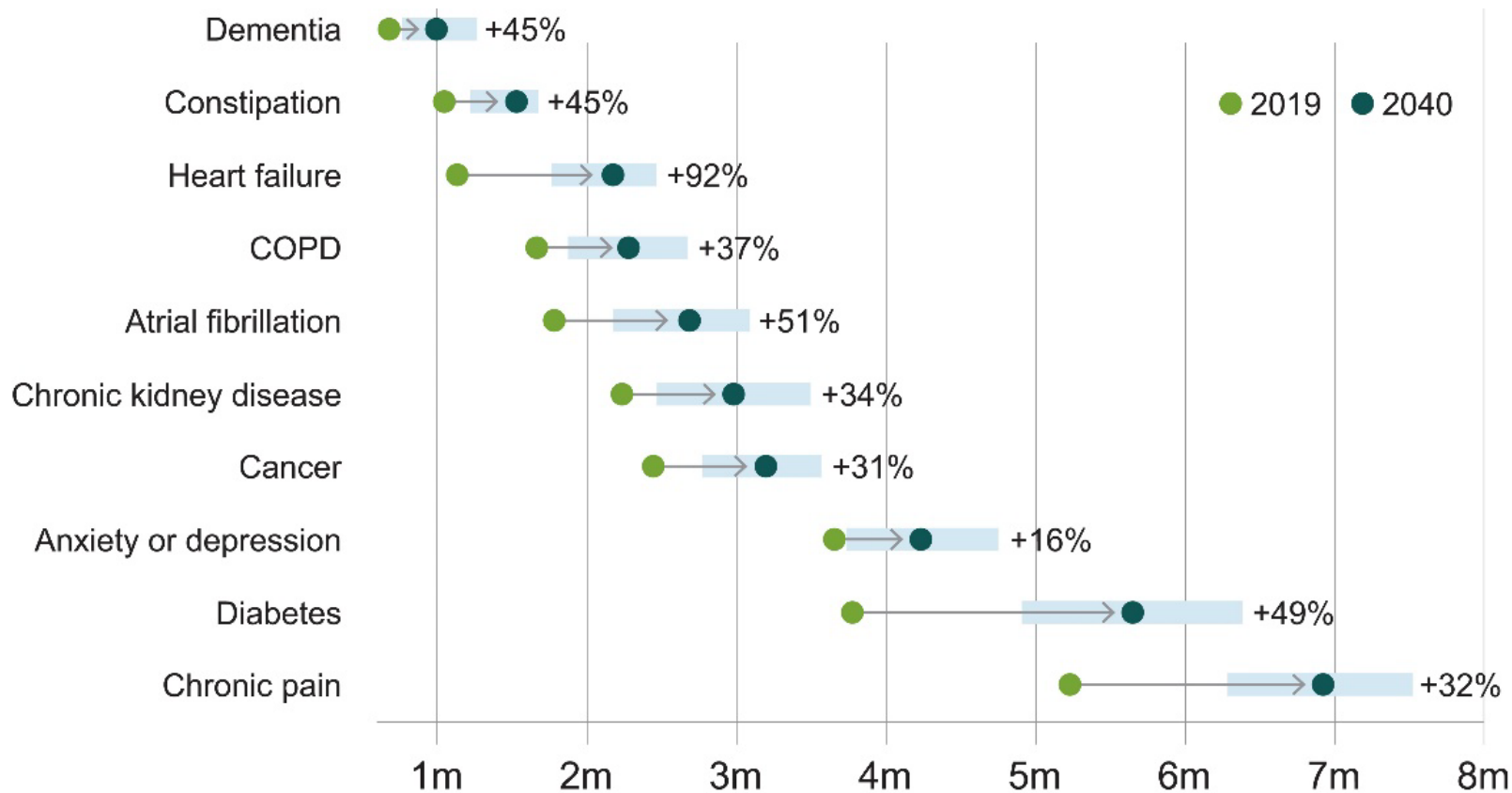
## Projected temperature increase worldwide 2100 – by scenario



# HEALTHCARE INFRASTRUCTURE – REVOLUTION IN HEALTHCARE

Aging population and incidents of key diseases on the rise

**16% of world population will be 65 years and above by 2050**



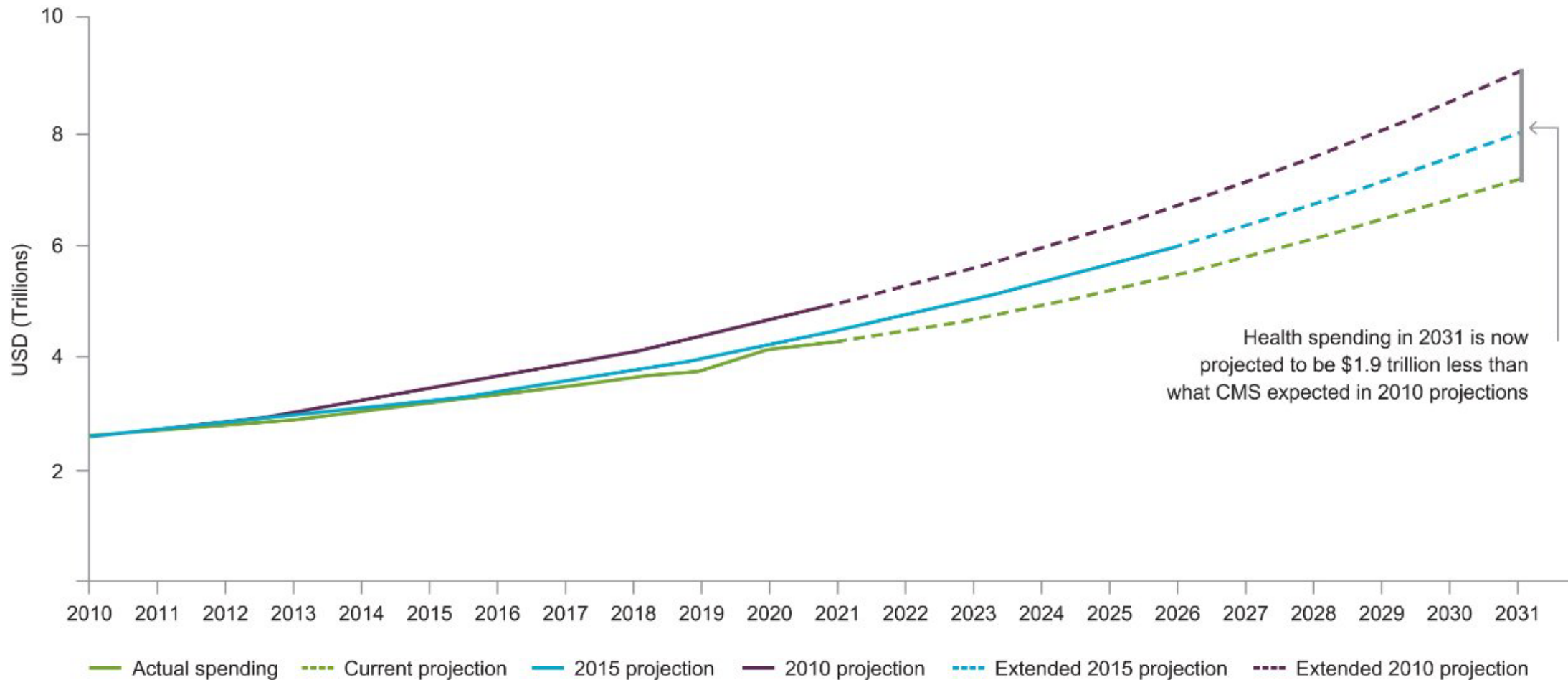
Source: Analysis of linked health care records and mortality data conducted by the REAL Centre and the University of Liverpool.

There is no assurance that any projection, estimate or forecast will be realized.

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# HEALTHCARE INFRASTRUCTURE SPENDING NEEDS TO INCREASE

## CMS projections of national health expenditures, US\$ trillions



Source: KFF analysis of National Health Expenditure (NHE) data.

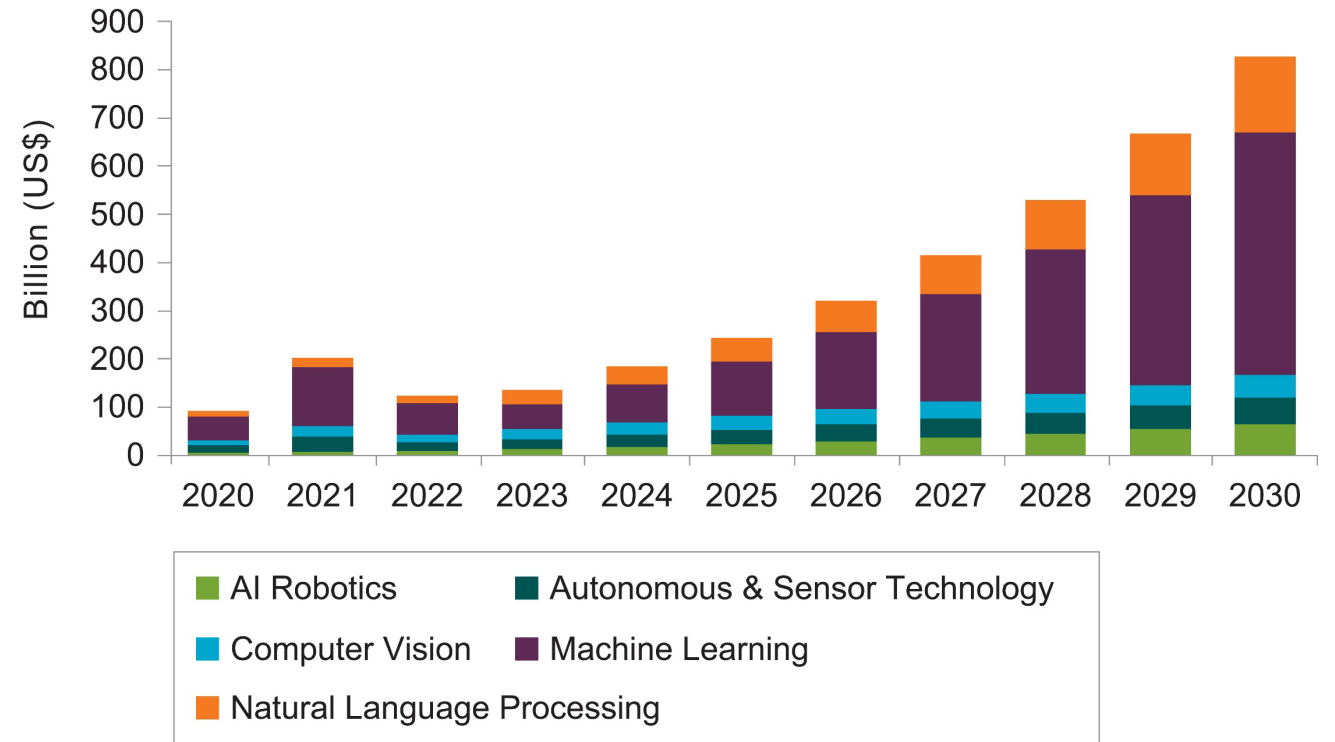
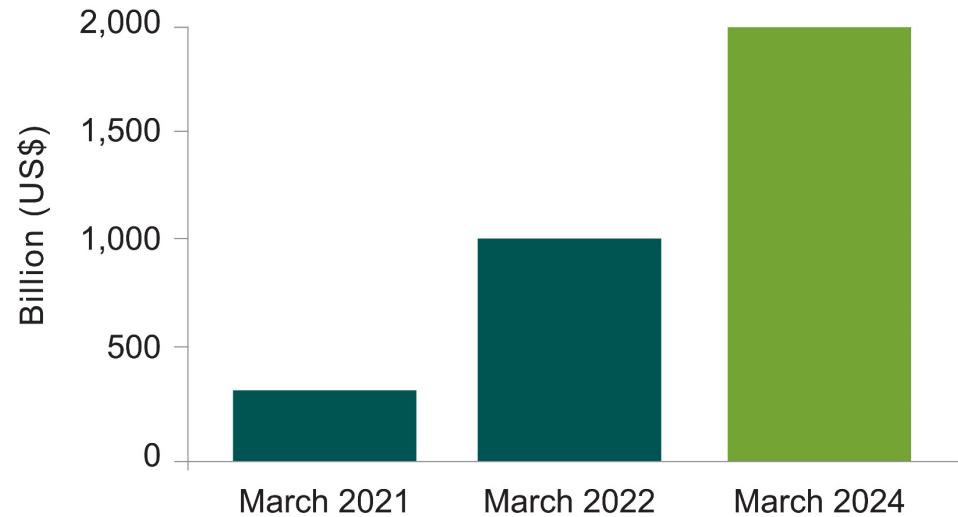
Note: 2010 and 2015 projections were extended beyond their respective 10-year period using the annual growth rate from the last 5 year.

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# ARTIFICIAL INTELLIGENCE – FUELING A NEW INDUSTRIAL REVOLUTION

Potential market size of AI has grown substantially over the last year  
**Nvidia’s long-term total addressable market opportunity**



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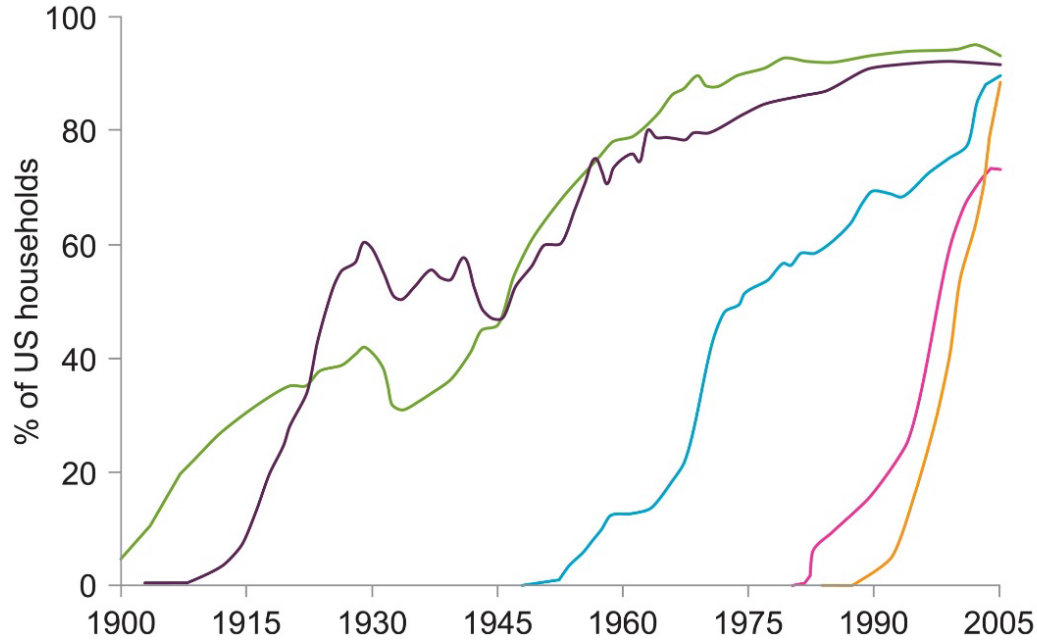
Source: Martin Currie, Nvidia and Statista. Nvidia long-term total addressable market opportunity, estimate as at 30 April 2024. Robotic & Automation project market size, Statista Market Insights as at 1 March 2024.

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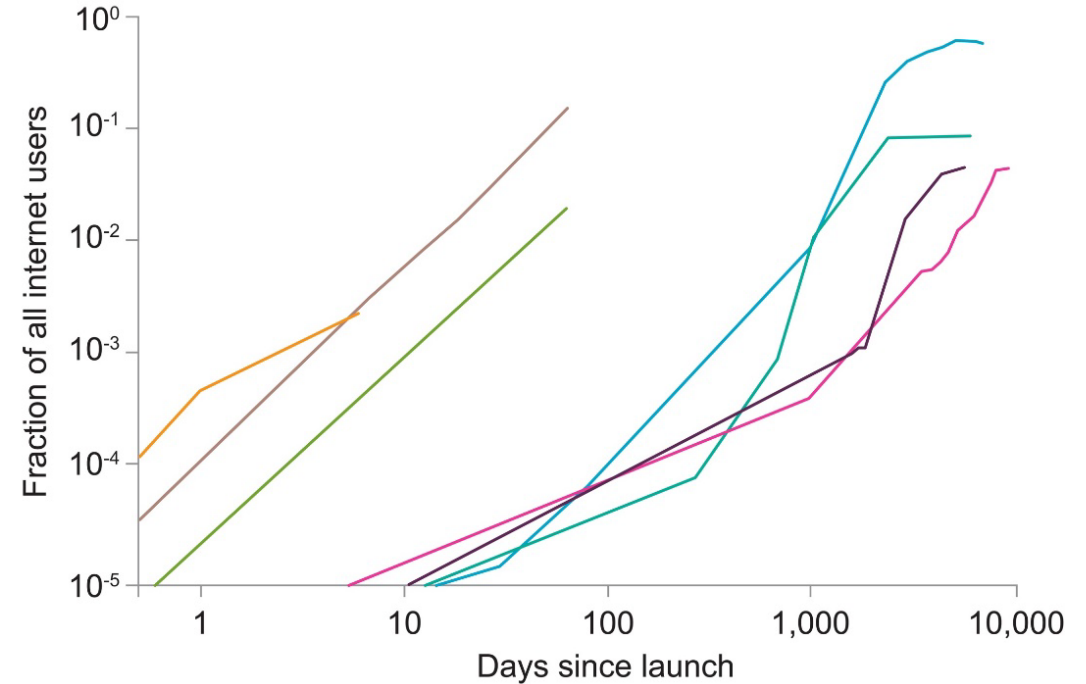
# ADOPTION CYCLES ARE ACCELERATING

**Adoption on technology by US households  
1900-2005**



- Telephone
- Automobiles
- Air conditioning
- Computer
- Cell phone

**Growth in fraction of internet users since launch**



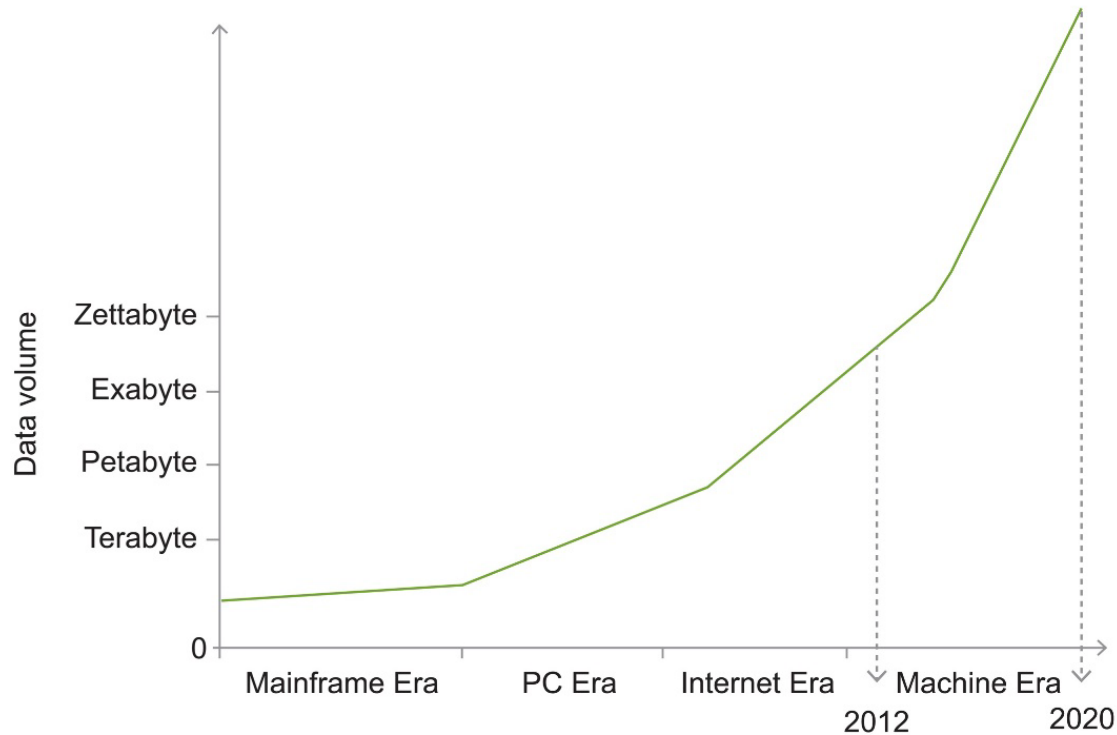
- ChatGPT
- Netflix (streaming)
- Facebook
- Instagram (all)
- Instagram (Android)
- Twitter
- Pokemon Go

**AI will both boost innovation and accelerate disruption**

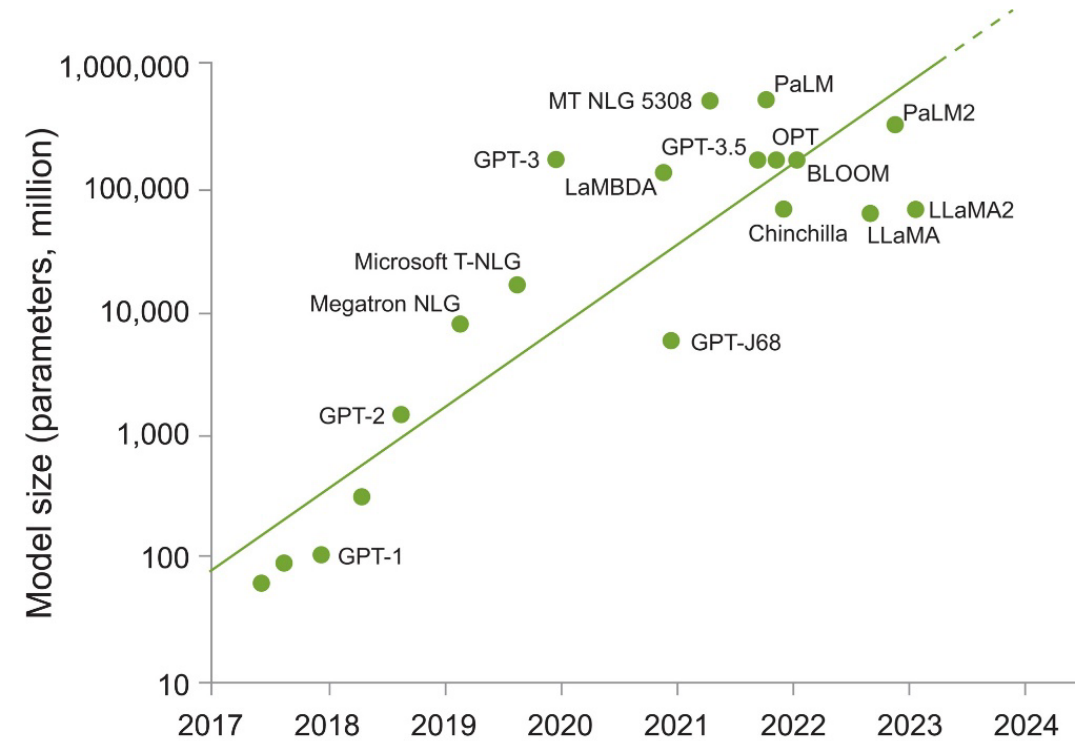
Source: Harvard Business Review and The New York Times. <https://hbr.org/2013/11/the-pace-of-technology-adoption-is-speeding-up>. Originally published 25 November 2013, updated 25 September 2019. 2) Stateof.AI 2023.

# AI TECHNOLOGIES CAN HAVE EXPONENTIAL ADOPTION

### Volume of data generated globally



### AI model size over time



**Machine based technologies may be significantly more scalable than humans**

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Source: Martin Currie and Alation. <https://www.alation.com/blog/first-pillar-of-data-culture-data-search-discovery>. As at 9 June 2021. 2) Nvidia GTC event.

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# AI – THE AGE OF FASTER COMPUTING POWER IS CRITICAL



Base compute



4 x compute



32 x compute

**Scaling computer processing power and data drives quality improvements**

# AI INNOVATION AND POTENTIAL FOR DISRUPTION ACROSS ALL AGENTS OF THE ECONOMY



Governments



Corporates



People

**Areas of disruption across all agents in the economy**  
**Disruption has the potential to be seismic**

# AI'S IMPACT ON ECONOMIC GROWTH AND PRODUCTIVITY

Artificial intelligence has the potential to:

Increase global  
GDP growth by

**7%**



Boost  
productivity by

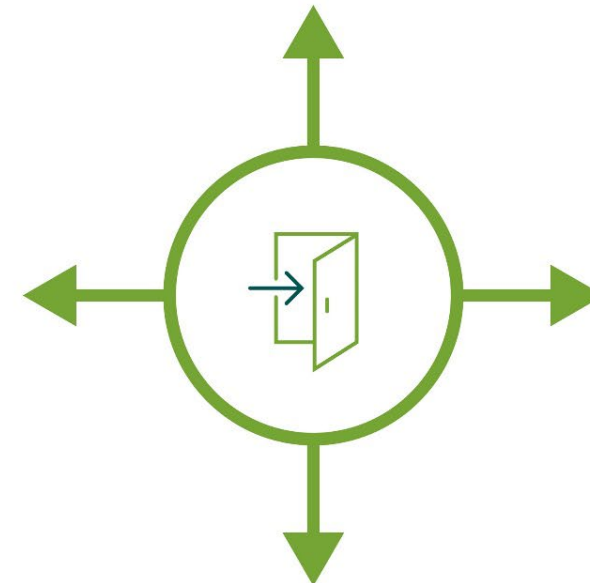
**1.5% p.a.**



Displace

**300 million**

jobs worldwide



**AI has the potential to bring a seismic shift in economic dynamics**

# AI ENABLED INDUSTRIES



Advertising



Finance



Media



Legal



Retail



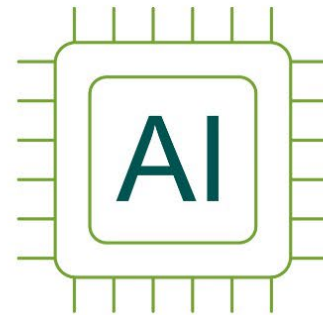
Education



Real Estate



Healthcare



Aerospace



Energy



Transport



Construction



Manufacturing



Agriculture



Automotive

**Areas of disruption are plentiful across all sectors of the economy –  
disruption has the potential to be seismic**

# AI INNOVATION AND POTENTIAL FOR DISRUPTION

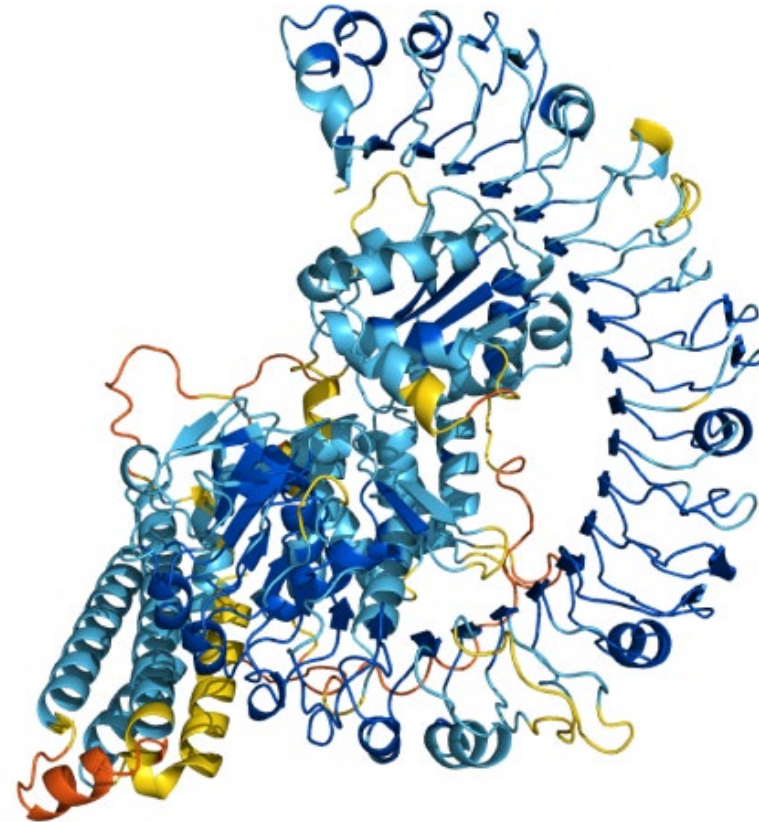
Healthcare	Financials	Advertising & Digital	Retail & Freight	Energy & Industrials	Customer Service	Business Intelligence
Smart Implants (Ex: Hip & Knee)	AI Thematic Fund Offerings	Marketing Efficiency	3D Shopping & Product Try On	AI Tool for Pipelines	Customer Analytics	Developer Tools & Assisted Code
Medical Imaging	New Trade Pricing Tools	Enhanced Ad Targeting	Sidewalk Robots for Deliveries	Geological Models	Insurance Claims and Records	AI-Related Consulting
Pathology Detection	Generate Client Portfolio Reviews	Recommendation Engine	Supply Chain Efficiency	AI-enabled Microgrid Tools	Transcribe and Summarise	Integrated Smart Home Interface
Personalised Medicine	Automate Trade Prices, Execution	Higher Ad Conversion	Inventory Management	Energy Usage Analytics	Client Onboarding	Automate Back Office Tasks
Identify Biomarkers	AI Portfolio Management	Ad Auction Dynamics	Demand Prediction	Energy Trading Enhancements		Fraud Prevention and Protection
New Drug Development	Increase Trading Velocity	Content Creation	Truck Routing Capabilities	Labour Scheduling		Cybersecurity Capabilities
Analysis of Genomic Data	Product Cross-Selling	Customised Travel Itineraries	Higher Fleet Utilisation	Reservoir Optimisation		Risk Assessment & Management
Physician Point of Service Tools		Video Game Development	Autonomous Fleet Networks	Leak Detection & Track Emissions		Accelerated Data Analysis
						Predictive Modelling

Non-shaded boxes highlight the areas with potential for disruption

**Areas of disruption are plentiful – with the potential to be seismic**

# AI ACCELERATES THE POTENTIAL FOR BREAKTHROUGHS

**Q8W3K0: A potential plant disease resistance protein. Mean pLDDT 82.24.**



**AI has the potential to accelerate progress and breakthroughs across many fields**

# AI ACCELERATES THE POTENTIAL RISKS OF DISRUPTION

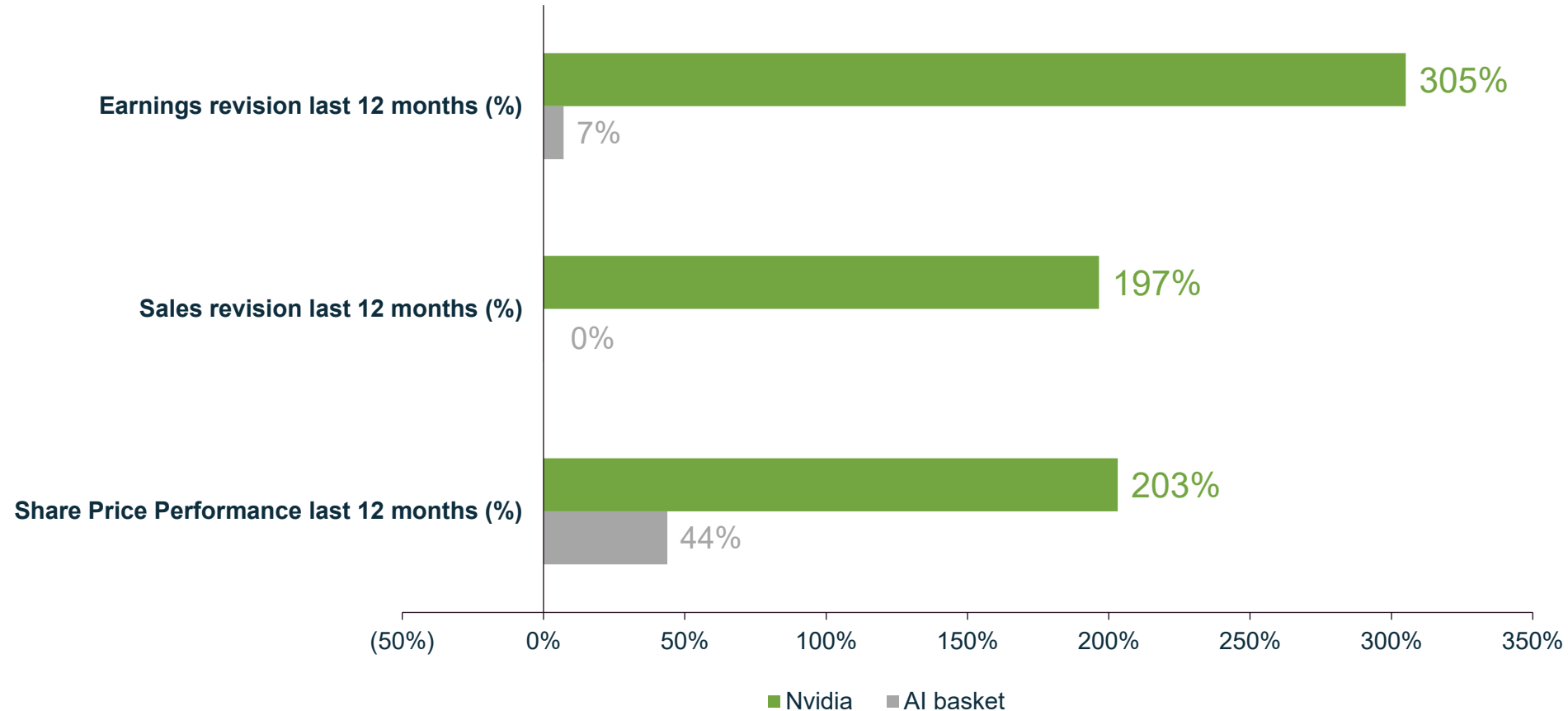
- Industry ramparts are at risk of coming down rapidly
- Businesses are at risk of being disrupted if they fail to stay innovative
- It will be critical to harness AI to remain competitive

**AI has the potential to accelerate disruption and change industry landscapes**



# THE RISK OF FROTH IN AI CALLS FOR SELECTIVITY

## Share Price Performance and Estimates Change



**We focus on companies that are best positioned to monetise the AI opportunity**

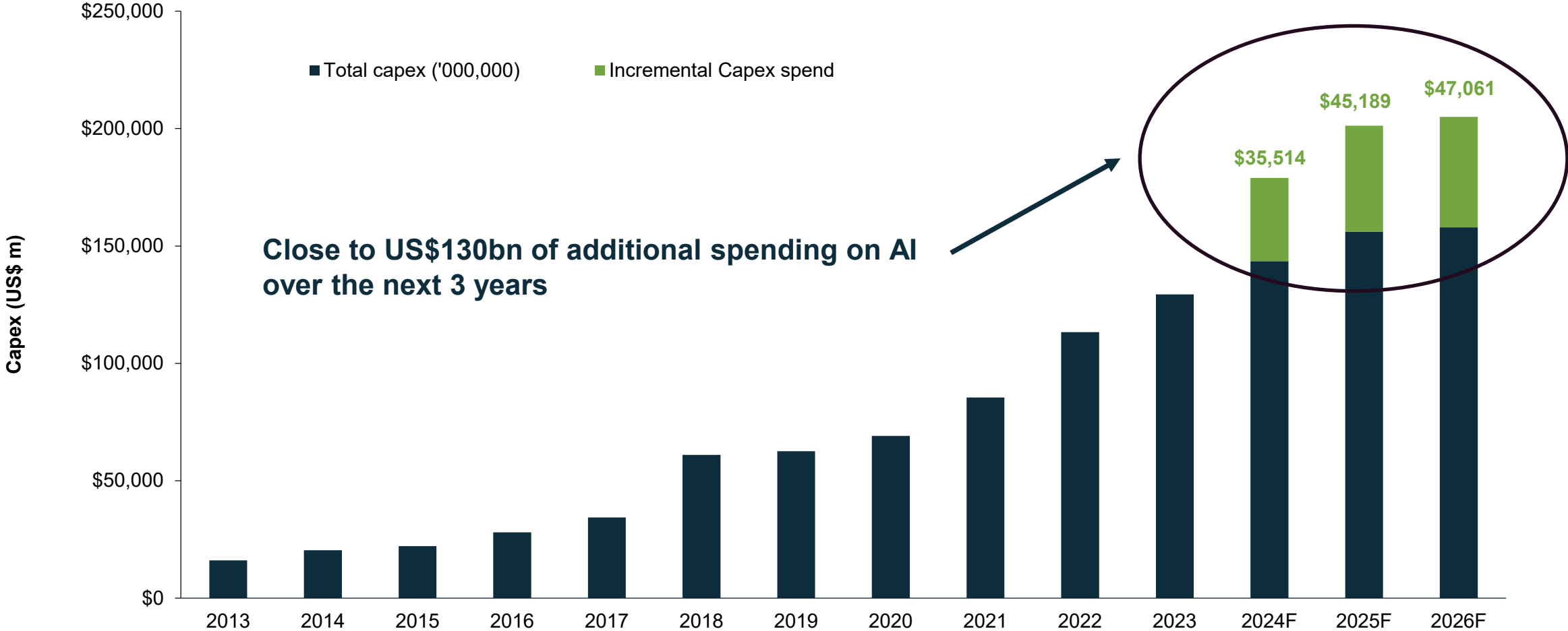
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Source: FactSet as of 31 March 2024. AI basket represents over 50 global stocks with AI exposure.

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# SIGNIFICANT ACCELERATION IN SPENDING BY CLOUD HYPERSCALERS & META

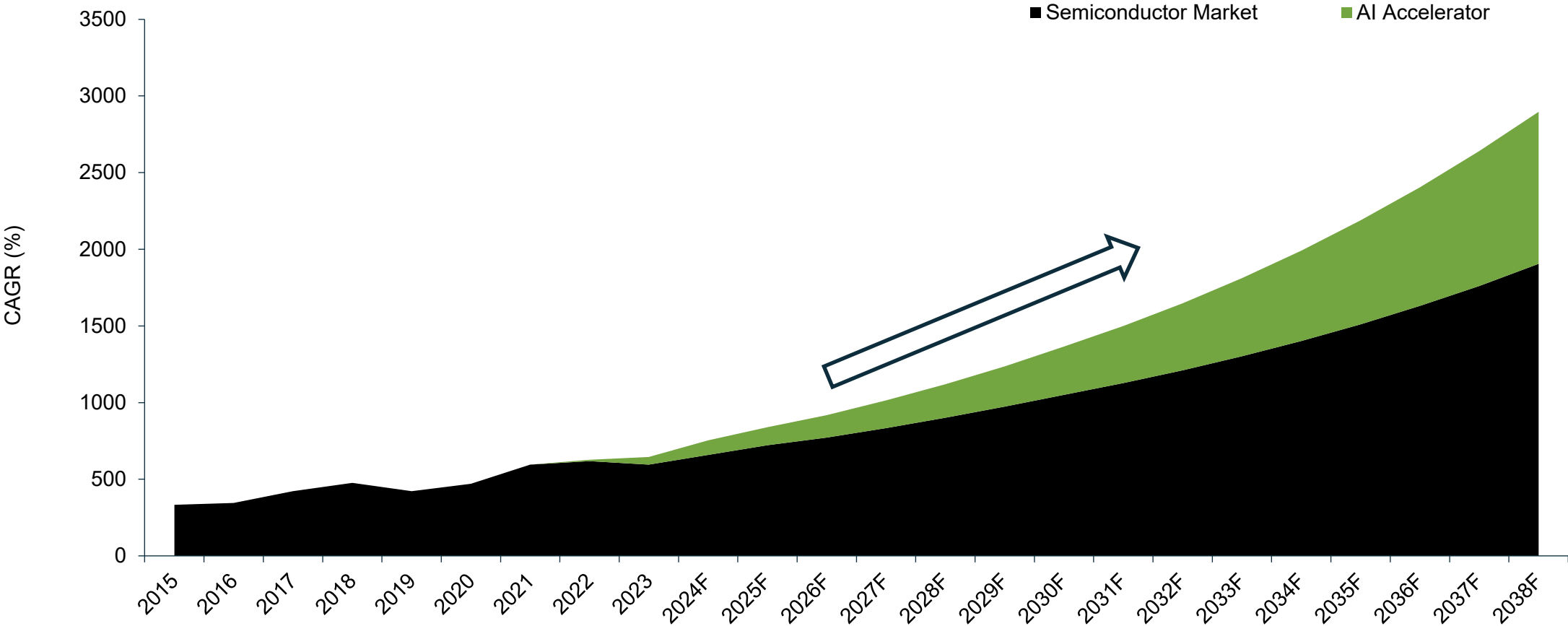
## Cloud Hyperscalers & Meta Capex



Source: Martin Currie and FactSet  
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# SEMICONDUCTOR SUPER-CYCLE TURBOCHARGED BY AI

Semiconductor Market CAGR 8% + 2.5% from AI

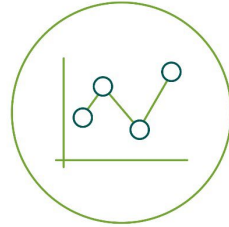


**Cyclicality in semiconductors will remain, despite the long super-cycle we predict**

Source: Factset as at 24 May 2024.  
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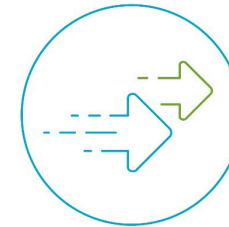
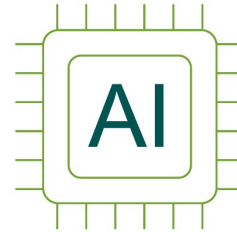
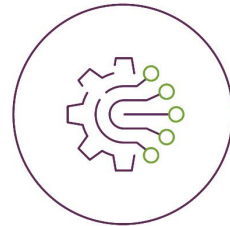
# SEISMIC THEMATIC SHIFTS BRINGING OPPORTUNITIES... ...AND SPEEDING UP DISRUPTIONS

The potential of AI to accelerate innovation remains underestimated by the market



A significant and accelerating investment cycle provides significant structural opportunities

Focus on companies that will monetise and benefit from the higher investment cycle



AI risks speeding up disruption



It is important to remain focused on fundamentals...  
...coupled with valuation discipline

**“We are experiencing the start of a new techno-industrial revolution”**

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