



Thematic investing

H2 2021 update

The Covid-19 pandemic has caused a variety of new and existing socio-economic trends to accelerate. Investors have quickly responded to these shifts by allocating increasing amounts of capital into related thematic investments.

In our view, thematic investing can offer a targeted approach as returns moderate in a maturing market cycle.

We retain our conviction on the six themes we identified at the start of the year, noting a majority have benefited from their significant tilt to equities.

Within that, we believe a focus on Sustainability, Innovative Disruption, Value vs. Growth and Yield-Free Risk themes is attractive in H2 2021.



Thematic investing update

An update on our key thematic views

The Covid-19 pandemic has caused a variety of new and existing socio-economic trends to accelerate. Investors have quickly responded to these shifts by allocating increasing amount of capital into related thematic investments. To take advantage of these dynamics, in our 2021 Outlook, we introduced a new set of investment themes (and related sub-categories - see table). As we reach the half-way mark of the year, we set out to review the performance of these themes and how they fit within our latest H2 investment strategy outlook.

From an equity market point of view, the first half of 2021 has been strong. As of the end of June, global

equities delivered 12.3%, contrasting sharply with a -3.9% return in global bonds and -0.5% in gold. A majority of our themes have benefitted from this, given their significant tilt to equities. Themes with more diversified asset class exposure have witnessed more mixed performance.

Looking ahead, the overriding mood is likely to be one of continued optimism, albeit at a more sustainable pace, as the recovery wave radiates globally. In our view, thematic investing can offer investors a targeted approach as returns moderate in a maturing market cycle.

Most of our themes delivered positive returns since initiation

| | Calls | Open date | Close date | Absolute | Relative |
|--|---|-----------|------------|----------|----------|
| Themes | Ready, Steady, Rotate - Value to outperform Growth | 13-Dec-20 | Open | | ✓ |
| | Race for Income – absolute return of income basket | 13-Dec-20 | Open | ✓ | |
| | Race for Income – vs. 4% yield target | 13-Dec-20 | Open | ✗ | |
| | USD to slump in 2021 | 13-Dec-20 | Open | ✓ | |
| | Time for climate investing | 13-Dec-20 | Open | ✓ | |
| | • Circular Economy | 13-Dec-20 | 24-Jun-21 | ✓ | |
| | • Alternative Energy | 13-Dec-20 | Open | ✓ | |
| | • Solar | 13-Dec-20 | Open | ✓ | |
| | • Wind | 13-Dec-20 | Open | ✓ | |
| | • Water | 13-Dec-20 | Open | ✓ | |
| | Disruptive Innovation | 13-Dec-20 | Open | ✓ | |
| | • 5G/Internet of Things (IoT) | 13-Dec-20 | Open | ✓ | |
| | • Electric Vehicles | 13-Dec-20 | Open | ✓ | |
| | • Medical Technology | 13-Dec-20 | Open | ✓ | |
| | • eSports / Online gaming | 29-Apr-21 | Open | | ✗ |
| • Fintech | 14-May-21 | Open | | ✓ | |
| In a world of yield-free risk | 13-Dec-20 | Open | ✓ | | |
| FTSE 250 to outperform FTSE 100 | 13-Dec-20 | 24-Jun-21 | | ✓ | |

Source: Bloomberg, Standard Chartered

Performance measured from 13 December 2020 (release date of our Outlook 2021) to 30 June 2021 or when the view was closed

Legend: ✓ – Correct call; ✗ – Missed call; n/a – Not Applicable; 'Open' indicates the call stays open. Past performance is not an indication of future performance. There is no assurance, representation or prediction given as to any results or returns that would actually be achieved in a transaction based on any historical data.

Dispersion and volatility were components of solid H1 performance

In our 2021 annual outlook, we highlighted how, in our view, the development and distribution of Covid-19 vaccines was likely to lead to a better year than 2020 from both humanitarian and financial market perspectives.

Countries leading vaccine rollouts have so far benefitted from a more rapid economic recovery. Global equity markets rotated away from growth to value (or cyclical) stocks, nominal bond yields increased in response to the pick-up in economic activity and commodity prices soared, adding to inflation concerns.

In our view, the core drivers of our 2021 outlook remain in place:

- 1) Vaccine distribution and effectiveness – despite the inevitable hiccups
- 2) Policy decisions – fiscal and monetary policy likely to remain pillars of support for risk assets
- 3) Bond yields – an improving economic recovery to support moderately higher yields
- 4) USD weakness – twin US deficits and the relative yield differential to continue moving against the USD

In our Outlook 2021, we also identified six broad investment themes that we believed would capture the underlying acceleration of economic and societal trends stemming from the pandemic. We further subdivided these thematic ideas into *structural* and *cyclical*. Structural themes are intended to have a multi-year investment horizon while cyclical ones are intended to have a 6 to 12-month horizon.

We track how these themes are performing using a variety of indices we deem to be key beneficiaries under each thematic category. Many of these themes are still evolving and we will monitor and expand on the relevant universe as the themes develop and opportunities arise. For more details, please refer to page 10.

Most of our thematic ideas have performed well this year. The vast majority of our themes have performed as expected, delivering either positive absolute returns or relative outperformance as relevant. We also took the opportunity to book ~20% gains in our Circular Economy sub-theme and ~16% returns on our pre-2021 Outlook UK domestics theme, as a maturing UK economy implies that the easy gains are now likely behind us.

Our structural themes (Climate Investing, Disruptive Innovation and Yield-Free Risk) have delivered

absolute positive returns, though this masks a great deal of volatility. Within the climate investing theme, several ESG (Environment, Social and Governance) sub-strategies are correlated with Growth equities. When bond yields rise, Growth investors are typically less willing to pay upfront for future earnings growth, driving valuations lower. Rising yields can be a risk for innovation themes as well. Bond yields rose by 75bp from end-January, driving the more yield-sensitive sub-themes lower. However, earnings revisions and growth forecast look to have bottomed and are trending higher once again.

Across cyclical themes, performance has been more mixed. The Value rotation delivered strong absolute returns, as did our Race for Income theme. However, falling yields across many income assets resulted in a lower overall yield for Race for Income, while the resilience of the US dollar acted as a headwind to our USD weakness theme.

| Themes | |
|------------|---|
| Cyclical | Ready, Steady, Rotate |
| | Race for Income |
| | USD to slump in 2021 |
| Structural | In a world of 'yield-free' risk |
| | Disruptive Innovation (prev. Golden Equities) |
| | <ul style="list-style-type: none"> • Fintech • e-Gaming • MedTech • Internet of Things • Electric Vehicles |
| | Sustainable investing – 'The time for climate investing' |
| | <ul style="list-style-type: none"> • Alternative energy (incl. solar and wind) • Water scarcity • Circular economy (closed - booked profits) |

Source: Standard Chartered

Below, we delve into greater detail on our latest stance across the various themes. Separately, in our yield-free risk theme, we also highlight the benefits of private markets in a broad asset allocation context.

Where are the most attractive opportunities? Four focus themes for H2 2021

We retain conviction across all of our open structural and cyclical themes. Nevertheless, we favour a focus on the below four themes in H2 2021 based on our assessment of key drivers and our H2 2021 Outlook.



Sustainability – The time for climate investing

The global acceleration toward “net-zero”, increased corporate disclosure, individual interest in climate-related risks and greater investment and portfolio flows into climate-related areas are key drivers for the performance of climate investments. Inflows into climate-related asset markets decelerated somewhat in 2021 but remained at strong levels despite the large correction seen in some of the alternative energy themes.

Despite the recent volatility, climate investing drivers have continued to gain traction. The US re-joined the Paris agreement in January 2021 and unveiled an ambitious ‘green infrastructure’ plan. In Q2, major economies further tightened timelines to reduce carbon emission, while the G7 backed moves for mandatory disclosure by companies on climate risks.

Looking ahead, the UN Climate Change Conference (COP26) in November may provide further tailwinds for the climate agenda. We believe that many parts of the climate change universe are likely to experience rapid revenue and profit growth over the coming years, supporting strong performance in sustainability-related themes, including energy transition and water scarcity over a multi-year horizon.

A closer look at market drivers

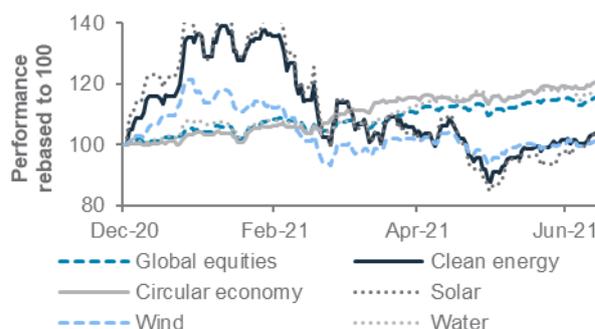
Outlook to date, Water and Circular economy performed strongly, while displaying volatility in line with global equities. Clean energy, solar and wind-related sub-themes posted single digit returns. The performance of climate-focused themes reflects significant differences in company concentration and the sectoral composition of benchmark indices.

For example, alternative energy thematic indices (including solar and wind) are often dominated by stocks among the top purchased names by US retail investors according to Robinhood early in the year,

driving their forward P/E valuations to above 90x and impacting several clean energy benchmarks when the call option buying frenzy eventually subsided. Solar and wind thematic indices often carry large weights to specific companies in their top holdings due to the limited number of pure-play investable firms. Also, stock-specific factors tend to be dominant, driving much higher volatility relative to other sustainable themes. Lastly, factor exposures indicate that these themes tend to correlate closely with small-cap, growth equities.

Fig. 1 Clean energy themes have been volatile, and will likely continue to be so

Rebased performance since Outlook 2021



Source: Bloomberg, Standard Chartered
 As of 30 June 2021; Rebased to 100 on 13-Dec-2020

Meanwhile, water and circular economy sub-themes have tracked more closely with global equities and could continue to do so as the recovery matures and radiates across more sectors. Water indices have a tilt to value sectors (e.g. industrials, materials) while circular economy indices tend to have more exposure to defensive sectors (e.g. cons. staples). Considering the strong performance thus far and our view that a focus on defensive sectors is not warranted given the current economic backdrop, we booked profits on the circular economy sub-theme.

Valuations for climate-related themes have largely retraced, particularly for solar and clean energy. However, these sectors remain richly valued, as even the relatively more inexpensive water theme trades at a c. 50% premium to global equities forward P/E (30x vs. 19.5x). Nevertheless, high forecast earnings growth should help further reduce valuations while large expected public and private investments mean that these themes are likely to continue to perform well on a multi-year horizon, in our view.

Disruptive Innovation

The Covid-19 pandemic accelerated technological megatrends, among which we continue to favour 1) Electric Vehicles (EVs), 2) 5G/Internet of things (IoT), 3) Medical technology, 4) e-Gaming and 5) Fintech (the latter two added in April and May respectively)

- **Electric Vehicles:** EVs are set to jump to 60% of all new car sales within the next decade. Automakers continue to increase budgets toward EV manufacturing and as EV sales soar, so will the need for batteries and related materials. Europe now plans to build 38 gigafactories across the continent, while expecting to collaborate with the US and Japan over EV battery emission standards. In the near-term, Biden's EV supply chain budget could catalyse the theme's performance in H2 21. This has been the best performing theme since our outlook, generating returns in excess of 20%.
- **5G/Internet of things:** Public policies, such as China's USD 1.4tn digital infrastructure plan or the American Jobs plan, aim to grow and develop the digital infrastructure to support new technologies and faster connectivity (5G). IoT (or robotics) investable benchmarks typically consist of a mix of industrial and manufacturing firms, together with high-tech companies, making for a more balanced investment mix relative to other sub-themes. Earnings revisions are improving, which should support forward P/E valuations at c.26x, in our view. Outlook to date, this sub-theme gained ~12-20%.
- **Medical Technology:** In the healthcare sector, digitalisation can help reduce costs and improve services delivery. This includes tools driving more efficient processes, new technologies to provide new insights into diseases and create new therapies. Our Medical technology theme has delivered ~3-14% since Outlook 2021, although a gradual recovery from the Covid-19 pandemic is

posing some temporary headwinds to earnings revisions momentum, keeping valuations elevated. However, we retain conviction in this theme given its ability to improve sector efficiencies.

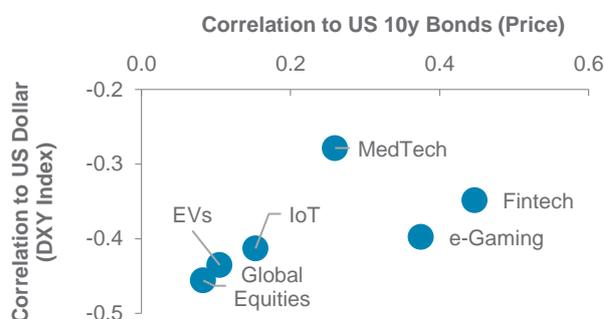
- **Fintech:** Fintech companies are challenging incumbent universal banks, with cheaper digital payments, peer-to-peer lending and even low-cost robo-advice. Following the early-May sell-off, we added this theme as valuations corrected by ~23% to c.29x forward P/E. Analysts have continued to revise up earnings expectations since early April. Fintech gained ~13% since we added the theme.
- **E-gaming & entertainment:** Due to the pandemic and related lockdowns, demand for online entertainment surged. Experts now foresee hockey stick growth in e-Sports and online gaming thanks to shifting demographics, higher mobile penetration, faster digital infrastructure and declining hardware costs. Valuations are trading in line with global equities at c.17x 12m forward P/E, while earnings revisions are trending higher again. We retain our conviction in this sub-theme as long-term drivers remain intact and valuations are not too demanding.

Market drivers

Innovation-related themes typically perform better during periods of declining bond yields. As the chart below shows, they tend to be positively correlated to bond prices (i.e. move in opposite direction of yields) but they also benefit from USD weakness (given their negative correlation to the DXY Index).

Fig. 2 Innovation themes are more sensitive to increasing yields than global equities

Correlation to US Treasury yields and US Dollar



Source: Bloomberg, Standard Chartered
 Correlation measured by daily returns since our Outlook 2021

In the near-term, cyclical and value-style equities are at risk of temporary underperformance as more economies navigate out of the Covid-19 pandemic.

However, valuations have re-rated significantly lower after the turn of the year and could potentially see further compression as earnings growth continues to be revised higher (particularly for IoT and EVs where positive earnings revisions have been highest, ahead of global equities).

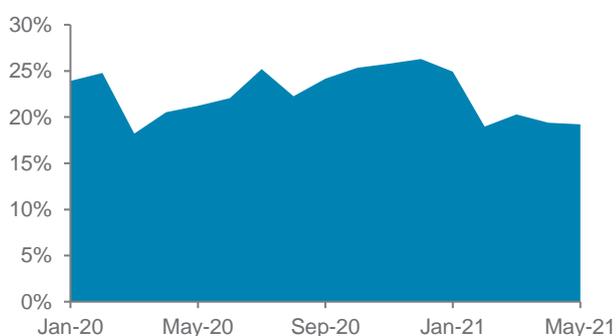
Overall, we retain our conviction in the Disruptive Innovation theme on a structural basis thanks to the attractive fundamental drivers underpinning each sub-theme. However, high volatility (~20% vs ~11% for global equities), generally lofty revenue expectations and strong sensitivity to increases in bond yields mean that investors should build further exposures gradually, capitalising on any weakness and maintaining a diversified allocation across sub-themes.

In a world of 'yield-free risk'

Government bond yields remain near multi-decade lows, while corporate bond yield premiums sit near the lowest percentile ranks, even as the Fed prepares to taper. The amount of debt yielding less than 1% is nearly 60% while the amount of negative-yielding bonds is USD 13.5 tn across major Developed Markets bond indices. These figures are an improvement from a year ago, though for investors they signify a still-challenging environment in which to generate returns and take advantage of bonds' defensive characteristics during periods of equity volatility.

Fig. 3 The share of negative-yielding debt in the global bond market remains large

Percent of negative yielding debt of the Bloomberg Barclays Global Aggregate Bond index



Source: Bloomberg, Standard Chartered

Expected returns in future years are likely to be lower than what we have been used to in the past for the same levels of risk. Therefore, to counter this, we continue to favour exposure to innovative sources of returns, income and diversification.

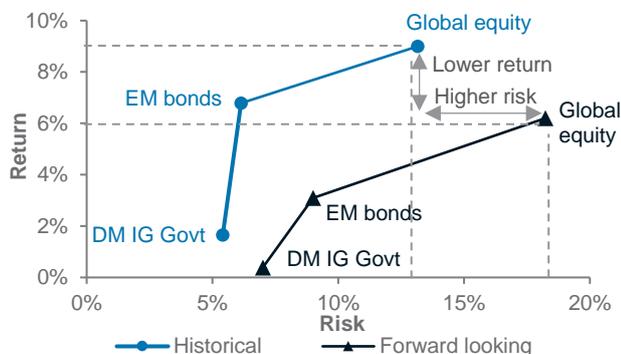
Investors can consider 1) increasing exposure to risky and/or higher yielding assets (i.e. dividend equities, or bonds with lower credit quality or longer duration), 2) making use of leverage, within sensible bounds, and/or 3) exploring alternative, less-liquid assets such as hedge funds or private investments to capture opportunistic sources of diversification, income and returns.

Since our 2021 outlook, such strategies i.e. alternative and private investments, High Dividend Yielding (HDY) equities and riskier bonds, have delivered returns ranging from just under 1% to well over 20%. In our view, these will continue to play an increasingly significant role for investors considering the depressed expected returns from traditional asset classes. In our mid-year outlook, we also emphasised the benefits of increasing exposure to two particular asset classes today:

- **High dividend yielding (HDY) equities.** HDY can be an attractive asset class to help investors improve yields and potential total returns. While HDY equities tend to have higher sensitivity to bond yields compared to global equities, they can digest rising yields better than bonds. We have added to our HDY allocation.
- **Private markets:** They represent one potential opportunity for investors to enhance their returns and income potential against a backdrop of low bond yields and elevated equity valuations. Moreover, as private investments require commitments over long time frames, and often require capital to be locked, they can achieve extra returns thanks to an 'illiquidity premium'. Lastly, private investments display lower correlation and volatility levels due to less frequent transactions and can therefore 1) improve risk-adjusted returns of a portfolio, and 2) mitigate investors' emotional response to market swings.

Fig. 4 The shift in risk/reward curve means investors will need to increase risk to generate the same level of returns as before

Risk/reward curves using 10 years of historical and 7-year expected nominal returns



Source: Mercer, Standard Chartered

A traditional 60/40 portfolio is currently expected to barely earn a 4% annual return over the next 7 years, much lower than the 9% average annual return over the past forty years. Equity valuations remain elevated and government bonds, which have been a reliable counterweight to equities in market sell-offs, are now less able to provide protection.

For investors today, there are no easy choices for generating returns or income comparable to history, or ensuring a similar level of diversification. While we may see some short-term increase in bond yields thanks to the economic recovery, the long-term structural pressures stemming from an overly indebted world and worsening demographics (to name a few) may persist. We thus retain conviction in this theme and believe its components can offer one route to helping with investors' trade-off between taking higher risk or accepting lower returns.

Ready, steady, rotate

Improving economic activity and increasing bond yields are two key catalysts underpinning the equity rotation from growth- into value-style equities, in our view. It is no surprise then that the recent retracement in bond yields has sparked a pause in the outperformance of value relative to growth.

However, global economic growth remains largely unbalanced; as vaccine rollouts pick up pace outside developed economies, they should boost the economic recovery momentum further and help yields resume

their gradual upward trend. Moreover, Fed preparation to withdraw monetary stimulus should support this move. These catalysts can both provide extended tailwinds to value equities which are positively correlated to rising growth and yields.

Fig. 5 Value vs Growth gap still attractive

Ratio* of global Value and Growth indices, with the ratio's 1-year and 3-year moving averages (MA)



Source: Bloomberg, Standard Chartered; as of 30 June 2021
 *MSCI All Country Value index divided by MSCI All Country Growth index; Shaded area indicates NBER recession

Expect Value's outperformance to extend

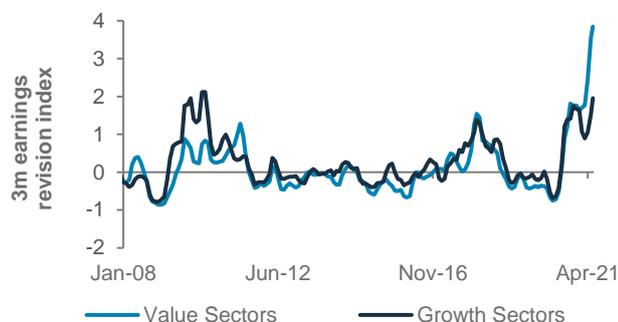
Historically, Value outperformance bouts have tended to last 3-4 months at a time only, as policymakers were quick to remove policy stimulus on any signs of overheating since the Global Financial Crisis. We think this time will be different as the Fed now prefers to wait for, rather than front-run, a sustained improvement in economic data. Additionally, we expect further value outperformance to be driven by a combination of 1) economic growth remaining well above trend into 2022, 2) expectations for bond yields to move modestly higher over the coming months, and 3) key Value sector outperformance (financials and energy, and materials additionally in the Euro area).

Earnings revisions have also continued to march significantly higher for Value sectors, particularly in the US where the industrials and materials sectors are seeing upward earnings revisions outpace downward revisions to a tune of 6-to-1 and 4-to-1 respectively.

Despite the recent softness in Treasury yields, history shows that previous episodes of Fed monetary tightening and economic growth put upward pressure on bond yields until the Fed began highlighting fatigue in economic activity. We are not there yet, in our assessment. The upward move in bond yields is likely not over and recent price action was likely the outcome of stretched short positioning unwinding.

Fig. 6 Value earnings revisions at record highs

3-month Earning Revision Indices



Source: Factset, Standard Chartered

Valuations for Value-style equities have now become more expensive than the historical medians (based on a combination of P/E, P/B and EV/EBITDA forward measures). However, Value equities remain in the lowest 1/3rd percentile relative to Growth valuations, indicating they could continue to re-rate higher.

Our cyclical theme of Value equities outperformance relative to Growth equities has returned 1.0% outperformance since our outlook. However, this Value outperformance represents only a small uptick over long-term charts and is still c. 16.6% from reverting to its long-duration trend (i.e. 3-year moving average).

When looking at investors flows globally across mutual and exchange-traded funds (ETF), we see that tech continues to dominate with USD ~46 bn in net inflows year-to-date. Only from March did overall Value sector inflows began to outpace growth sectors inflows globally (USD 34 vs 13 bn cumulative as of 23 June). Lastly, as Emerging economies gradually escape the Covid-19 pandemic thanks to vaccine rollouts, we see scope for further rotation into Value and cyclical areas of the markets, thus supporting our view that the rotation toward Value has more room to run.

In sum, we retain conviction in this theme and would take advantage of the current softness to continue to rotate into value-style equities.

The role of thematic investments in a diversified asset allocation

A lot of debate still surrounds how to best incorporate thematic investing in an investors' asset allocation. We believe incorporating an investor's preferences, conviction in long-term themes and risk preferences are the best way to consider exposure, rather than favouring one specific approach alone.

Thematic investing can benefit investors by capturing higher sources of growth. This is especially important for equity investments where long-term returns are predominantly dictated by earnings growth. Valuations may influence outcomes over shorter periods, but being on the right side of growth and disruption is a critical driver of success over the years.

Currently, we see the majority of thematic investing opportunities sitting within equities, as reflected by the much greater number of thematic funds in this asset class (>90% according to Bloomberg). Nevertheless, more opportunities are arising in the alternatives and fixed income segments as well.

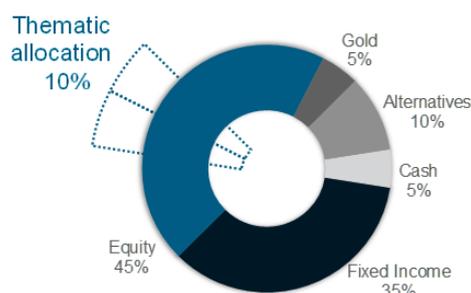
When analysing asset allocation decisions via a "core-satellite" framework, we identify three main approaches to thematic investments:

- **Complement:** Investors can use thematics to complement and enhance core allocations with satellite allocations.
- **Substitution:** Replacing some global equity exposure with thematics either in core or satellite allocations. Academic literature shows that this approach can help manage cycle dynamics and mitigate downside risks.
- **Integration:** Using thematic ideas as the core allocation. This approach may appeal particularly to investors with strong conviction in thematic investing and a long-term horizon.

In the chart, we display an example of how the Substitution approach for allocating to thematic investing could work for a core Strategic Asset Allocation, in this case using a moderately aggressive risk profile as an example.

Fig. 7 An example of how thematic investments can be incorporated into a diversified asset allocation

Substitution framework for a Moderately Aggressive asset allocation



Source: Standard Chartered

One key aspect with regards to the size of a thematic allocation relates to investment time horizon. Usually, the longer the time horizon and/or the greater the ability to tolerate deviations from benchmarks or near-term expectations, the greater one's allocation can be.

Other key considerations centre on 1) validating the credibility and potential longevity of the growth in a theme, 2) whether the investable universe is large enough, as some companies may not trade on public markets, and 3) the quality of firms representing a theme (i.e. leaders vs. firms that simply have some exposure to a theme).

Benefits of incorporating thematic investing to asset allocation frameworks include the potential for enhanced returns over a full business cycle, mitigation of downside risks as well as improvements in diversification within sector or regional exposures.

While we retain conviction across our open themes (table 1), the choice of asset allocation framework rests with investors. Risk tolerance, time horizon and preference toward thematic investing will drive the decision toward either of the suggested approaches.

Drivers and Indicators – our assessment

Thematic investing is multi-faceted across regions, sectors and time horizons. Various drivers can influence a theme, from structural trends, such as demographic shifts, to public policies and regulations. However, as for most investments they also deeply depend on cyclical drivers such as the outlook for economic and earnings growth, valuation and interest rates changes. Below we outline what we see as key drivers and our related views with respect to our open thematic investment ideas.

| Thematic drivers | Cyclical Factors | | | | Structural Factors | | |
|-----------------------|------------------|-------------------------|------------|--------------------|--------------------|------------------|-----------------|
| | Economic growth | Increase in bond yields | Valuations | Earnings Revisions | Policy support | Trends evolution | Socio-economics |
| Climate investing | = | × | = | ✓ | ✓ | ✓ | ✓ |
| Disruptive innovation | = | × | × | ✓ | ✓ | = | ✓ |
| 'Yield-Free Risk' | × | ✓ | = | Na | ✓ | = | ✓ |
| Ready, steady, rotate | ✓ | ✓ | ✓ | ✓ | | | |
| Race for income | = | × | = | = | | | |
| USD to slump | ✓ | × | = | = | | | |

Source: Standard Chartered, ✓ indicates the driver supports the performance of a theme. ✗ indicates the driver is currently a headwind to the performance of a theme. = indicates a neutral view

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 Cross-asset strategist

Appendix – Themes tracker

| Themes | Index Return since Outlook 2021 |
|--|---------------------------------|
| Race For Income | |
| Multi Asset Income Allocation | 5.5% |
| Ready, Steady, Rotate (Value to outperform growth equities) | |
| Value equities | 16.4% |
| Growth equities | 15.4% |
| In a World of Yield-Free Risk | |
| Private Credit (via BDCs) | 24.1% |
| NCREIF Property Index | 2.9% |
| Global REITS | 18.2% |
| Global Listed Private Equity | 22.6% |
| Global High Yield Equities | 11.6% |
| Contingent Convertibles | 4.1% |
| DM High Yield | 3.3% |
| Leveraged Loans | 3.8% |
| Preferred Equity | 0.7% |
| Treasury Inflation-Protected Securities (TIPS) | 3.3% |
| Liquid Alts - Equity Hedge | 10.7% |
| Liquid Alts - Macro/CTA | 3.8% |
| Liquid Alts - Equity Market Neutral | 2.8% |
| Liquid Alts - Absolute Return | 3.5% |
| Liquid Alts - Event Driven | 4.5% |
| Liquid Alts - Relative Value Arb | 5.1% |
| Liquid Alts - Fixed Income Credit | 2.6% |
| Goldman Sachs Hedge Fund VIP Index | 16.0% |
| USD to Slump in 2021 | |
| USD to weaken | 1.6% |
| Long EUR/USD | -2.1% |
| Long GBP/USD | 4.6% |
| Long AUD/USD | -0.5% |
| Long KRW/USD | -3.4% |
| South Korea equities | 12.8% |
| EM USD government bonds | 0.3% |
| Asia USD bonds | 0.2% |
| Sustainability - Time for Climate Investing | |
| Circular Economy* | |
| ECPI Circular Economy Leaders Index* | 20.1% |
| Alternative Energy | |
| Alt. Energy - S&P Global Clean Energy Index | 0.0% |
| Alt. Energy - WilderHill Clean Energy Index | 4.9% |
| Alt. Energy - WilderHill New Energy Glb Innovation Index | 4.8% |
| Alt. Energy - CIBC Atlas Clean Energy Index | 9.4% |
| Alt. Energy - Ardour Global XL Energy Index | 10.5% |

| | |
|---|-------|
| Solar | |
| Solar - MAC Global Solar Energy Index | 8.9% |
| Solar - Ardour Solar Index | 6.9% |
| Wind | |
| Wind - ISE Global Wind Energy Index | 4.7% |
| Wind - Indxx YieldCo & Renewable Energy Index | -2.1% |
| Water | |
| Water - S&P Global Water Index | 18.6% |
| Water - NASDAQ OMX Global Water Index | 16.6% |
| Water - Ecofin Global Water ESG Index | 17.2% |
| Water - NASDAQ OMX US Water Index | 18.8% |
| Water - ISE Clean Edge Water Index | 18.6% |
| Disruptive Innovation | |
| Telemedicine/MedTech | |
| Med Tech - Solactive Telemedicine Index | 3.3% |
| Med Tech – Dow Jones US Medical Equipment Index | 14.8% |
| Internet of Things (IoT) | |
| Internet of Things - Indxx Global Internet of Things Index | 18.5% |
| Internet of Things - 5G Comms Index | 18.2% |
| Internet of Things - Indxx 5G & NextG Index | 17.0% |
| Internet of Things - 5G Semis Leaders Index | 12.7% |
| Electric Vehicles | |
| Electric Vehicles - Solactive Autonomous Driving Index | 25.9% |
| Electric Vehicles - Solactive Electric Vehicles Index | 22.5% |
| Electric Vehicles - FactSet Global Autonomous and EVs Index | 22.4% |
| Electric Vehicles - Solactive Global Lithium Index | 35.1% |
| e-Gaming** | |
| e-Gaming – Solactive V-Games, eSports Index | 0.1% |
| e-Gaming – MVIS eSports Index | 2.8% |
| Fintech*** | |
| Fintech- Indxx Global Fintech Thematic Index | 13.0% |
| UK Domestic* (FTSE 250 to outperform FTSE 100) | |
| FTSE 250 Index | 15.9% |
| FTSE 100 Index | 10.7% |

Source: Bloomberg, Standard Chartered; Performance calculated from 13 Dec 2020 to 30 June 2021, unless stated otherwise.

* Themes are closed as of 24 June 2021.

** e-Gaming theme initiated as of 29 April 2021

*** Fintech theme initiated as of 14 May 2021

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