





Thematic Trends and Their Importance for Investors

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Macro perspectives



Major Thematic Trends



Investment Ideas





Summary

Global Outlook

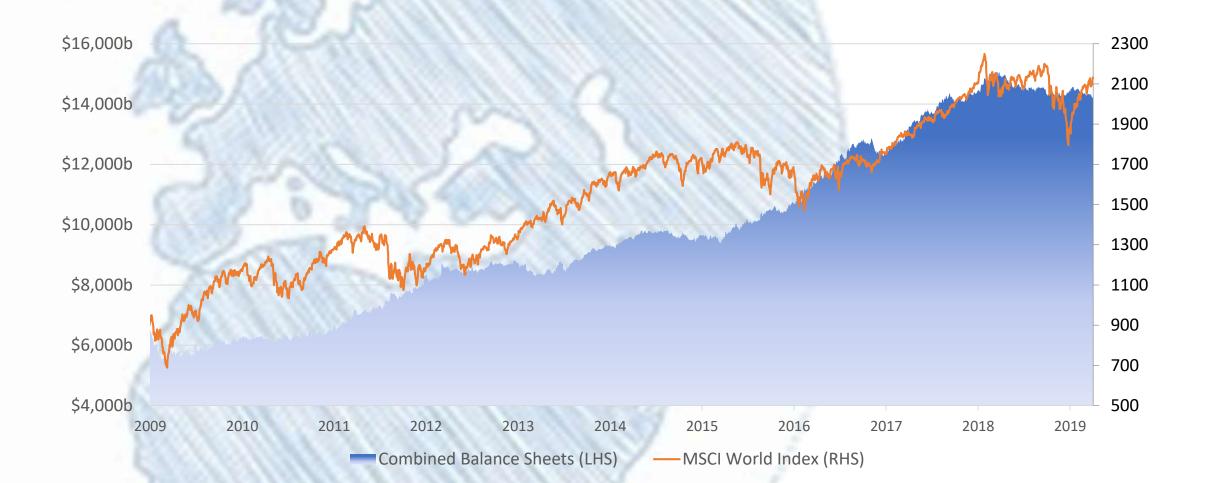


Global Outlook

- Money printed halted briefly, but now resumed
- Continued price distortion and support for zombie companies
- Consumers are spending beyond their productivity using financial leverage
- Earnings disappointing
- Buybacks leading to impaired credit

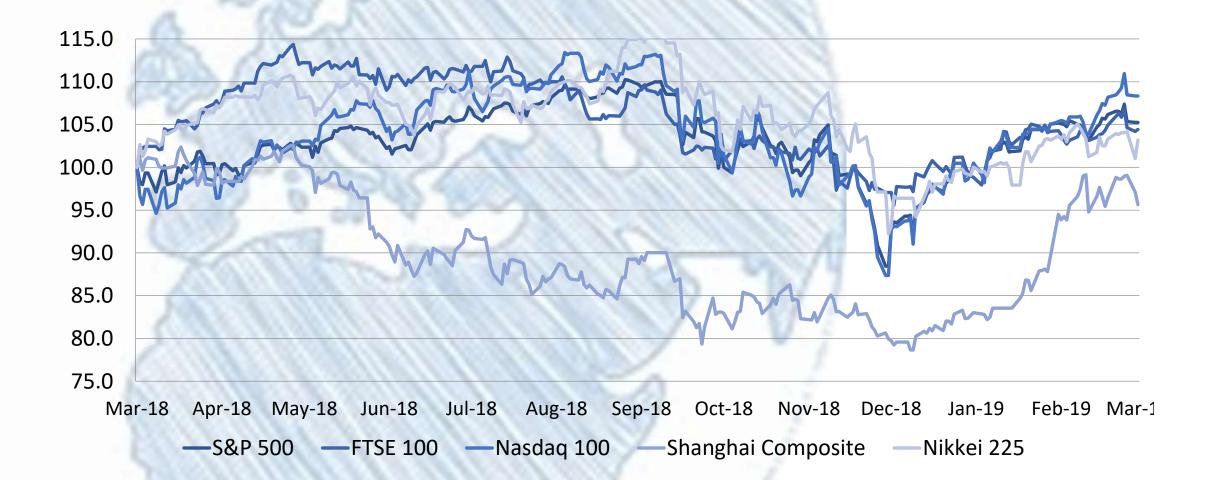


Central Bank Balances Sheets vs MSCI World Index



Source: Bloomberg

Major Equity Indices

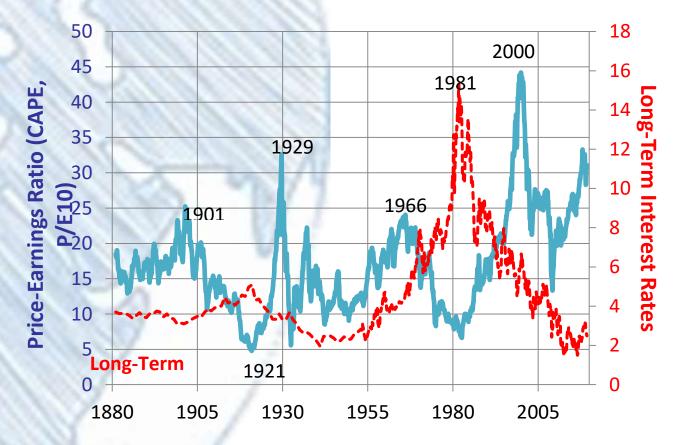






- Federal reserve has slowed its quantitative tightening
- Corporate buybacks a significant support to valuations
- Tight labour market
- Trade war with China





Federal Reserve Balance Sheet



Source: Federal Reserve

S&P 500 Share Buybacks – Rolling 12 Months



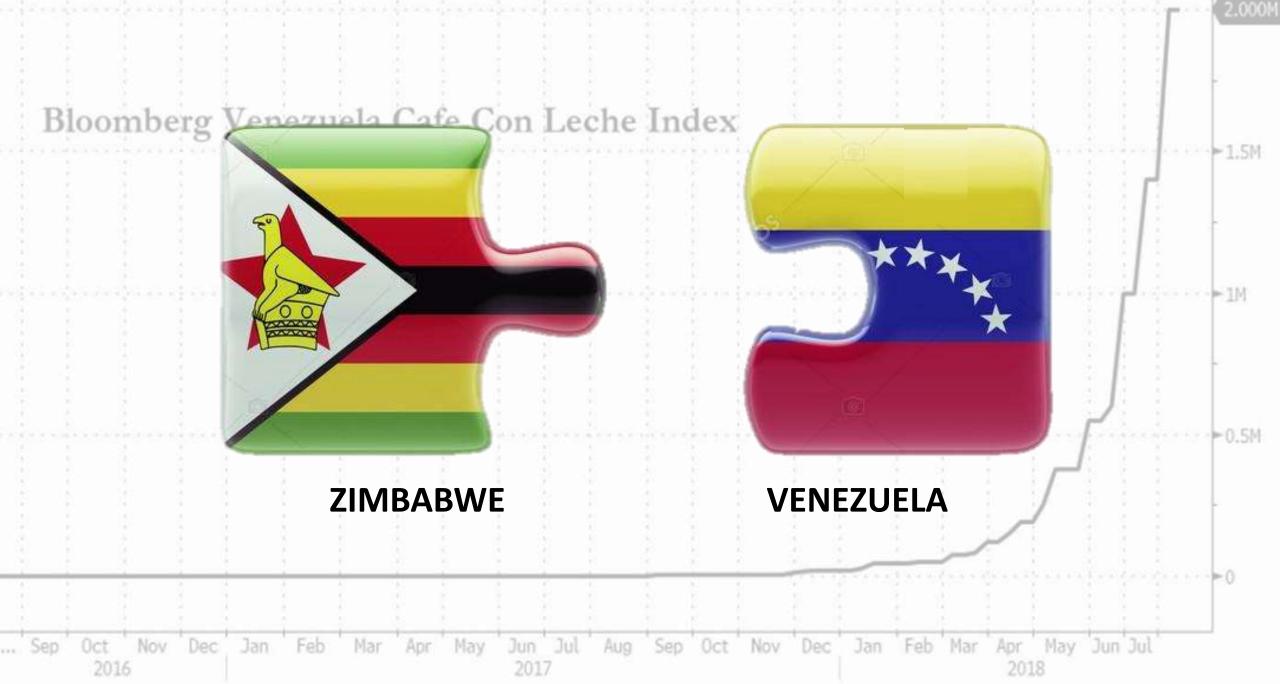


Alexandria Ocasio-Cortez

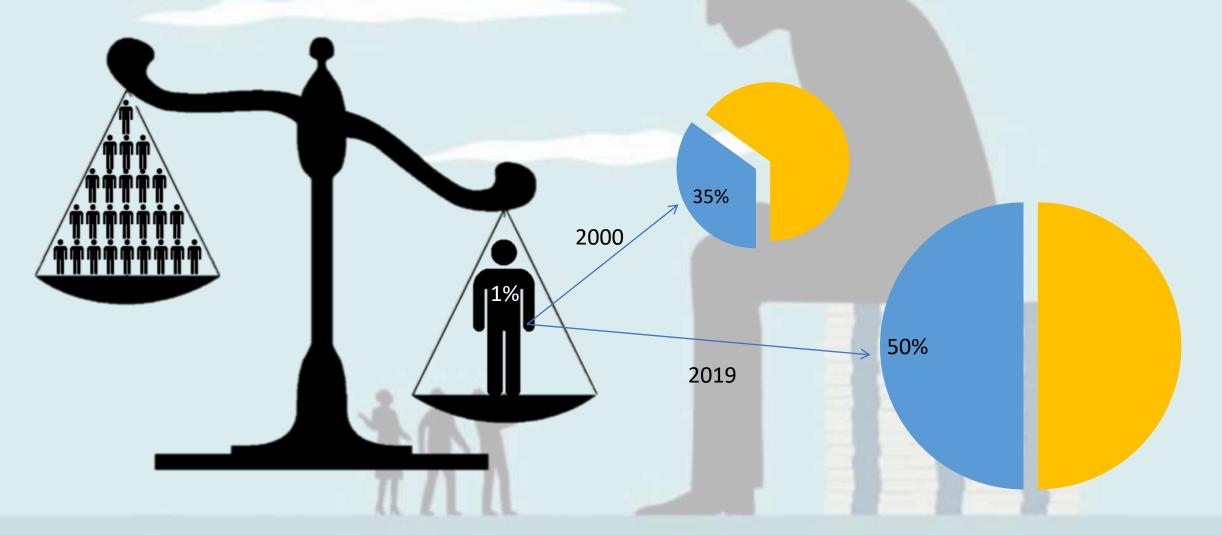
Modern Monetary Theory

- 1. Cannot default on debt denominated in its own currency
- 2. Can pay for goods and services, and financial assets without a need to collect money in the form of taxes or debt issuance
- 3. Is limited in its money creation and purchases by inflation, which accelerates once the economic resources (i.e., labor and capital) of the economy are utilized at <u>full employment</u>
- 4. Can control inflation by taxation and bond issuance, which remove excess money from circulation, although the political will to do so may not always exist; and
- 5. Does not need to compete with the private sector for scarce savings by issuing bonds.

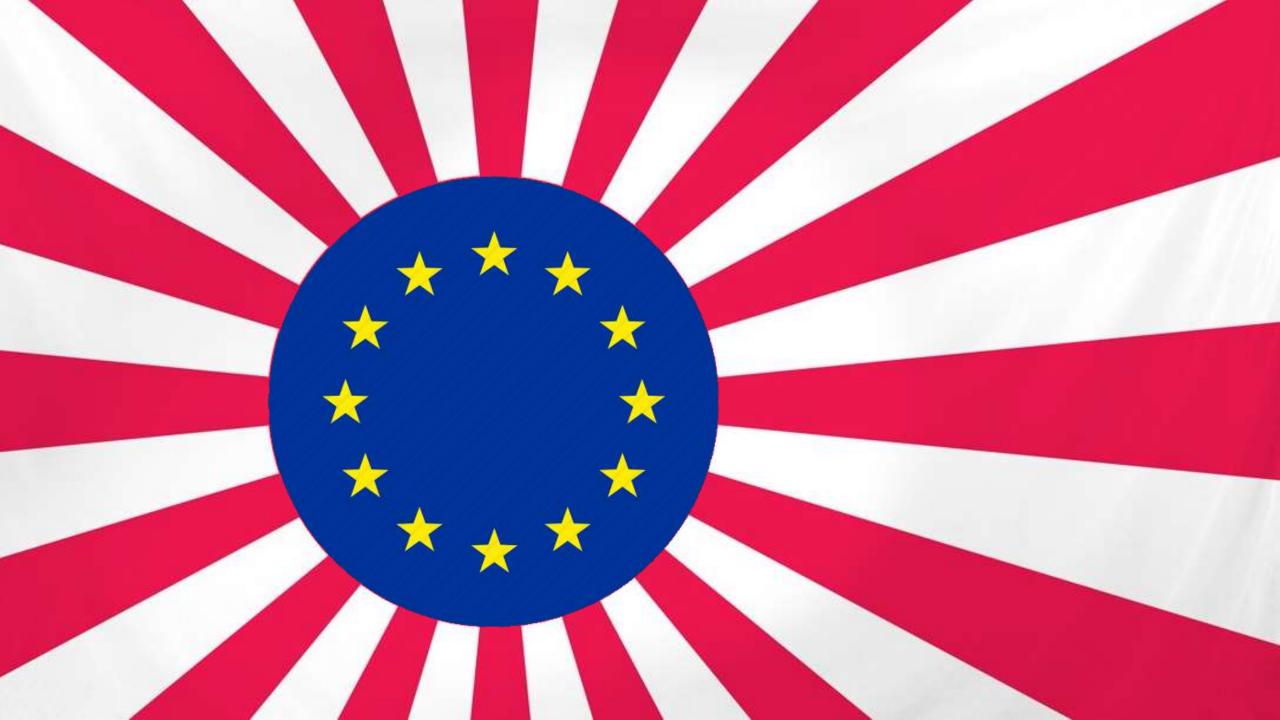




Growing Wealth Inequality

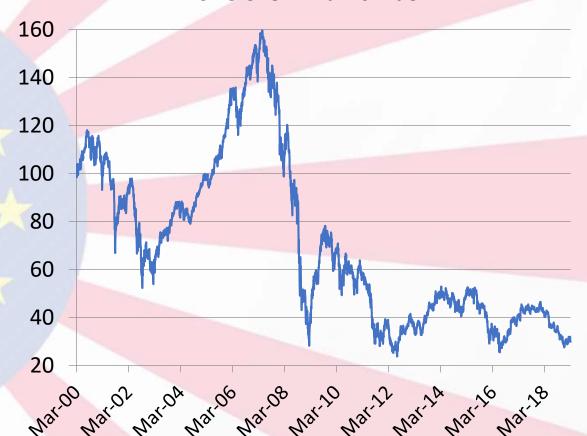


In 2019, the top 1% of the population owned 50% of all assets



Japanification of Europe

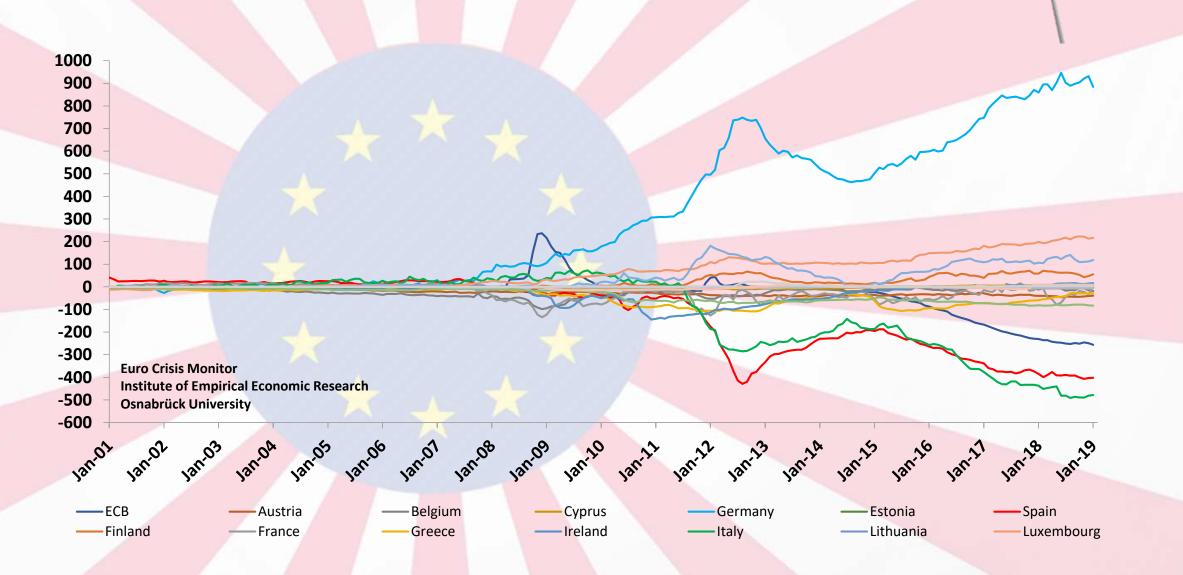
- Low growth, low inflation printing presses back on
- Major economies entering recession
- Brexit remains a sideshow
- Italy is the fracture point
- Eurozone banks in secular decline down 70% over past decade



EURO STOXX Banks Index

Source: Bloomberg

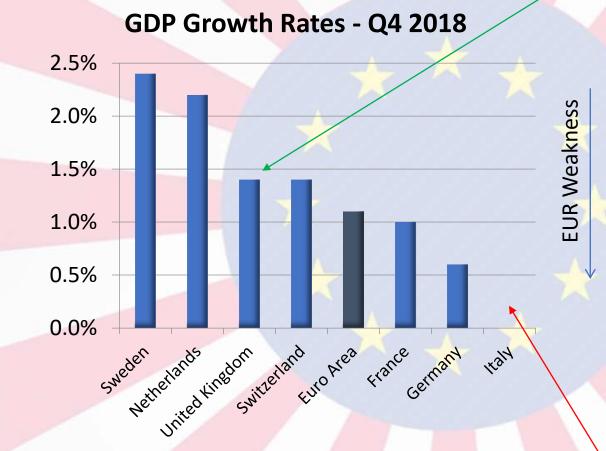
Target 2 Balances € billions

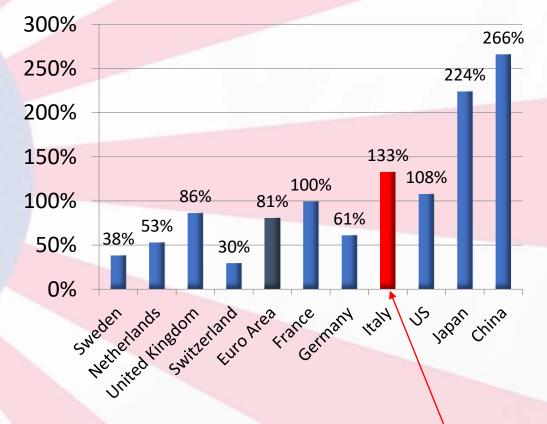


European GDP Growth



Fastest growing major economy, in the face of Brexit





NOT AN ERROR – LITERALLY ZERO GROWTH AND HIGHLY INDEBTED

Source: Trading Economics and Bloomberg

Debt to GDP

United Kingdom

- Fastest growing major economy in EU
- Has withstood a of negativity around Brexit
- UK still #1 EU country for foreign direct investment
- Brexit not a top concern



Source: EY Europe Attractiveness Survey June 2018

China				chinese G	owth		
	1978	1998	2018	ମ	DP GIE	T SPP	
Real GDP per capita	650	3,244	15,309	chinese	and the	Co P X	*
Share of World GDP	2%	7%	22%		SG #		
Pop. below Poverty Line	88.3%	41%	1.4%	JA C	ST.		
Life expectancy	66	71	76		P		
Infant mort. rate (1,000)	53	33	8	30	*	*	*
Urbanisation	18%	34%	57%	75.mm Å			
Literacy	70%	93%	96%				
Average years of Edu.	4.4	6.6	7.7				
				2019	2020	2021	2022

Japan

- Nikkei target 25,000
- Yen undervalued
- Dividend yield growing
- Japanese efficiency
- Demographic challenges



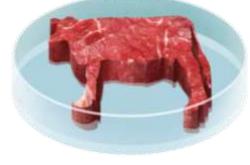


Changing Internet



Future of Transport







Meta Themes

Clean Meat

Longevity

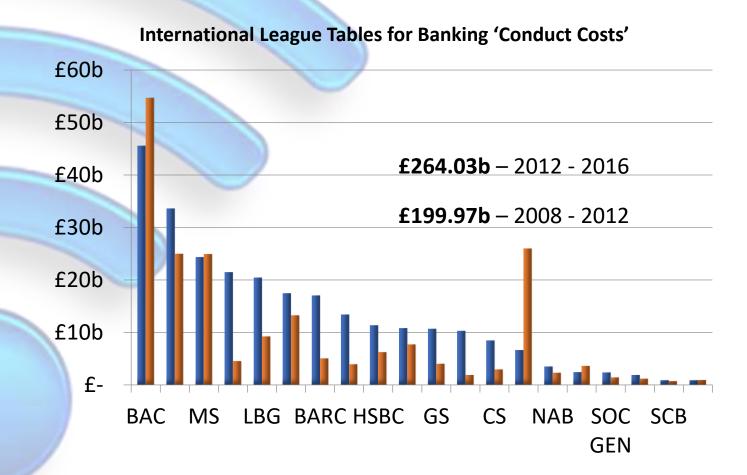
The Changing Internet

- Copyright laws in EU Article 13
- Structural Separation Alphabet, Amazon, Apple, Facebook, and Microsoft acquired 436 companies for USD \$131b over last decade
- Today, it is estimated that <u>1 in 5</u> people in US have a smart speaker
- Voice search typically leads to a single short answer – no onward journey



Amazon Basics vs Consumer Choice

Banking Fines – Internet Giants Next?



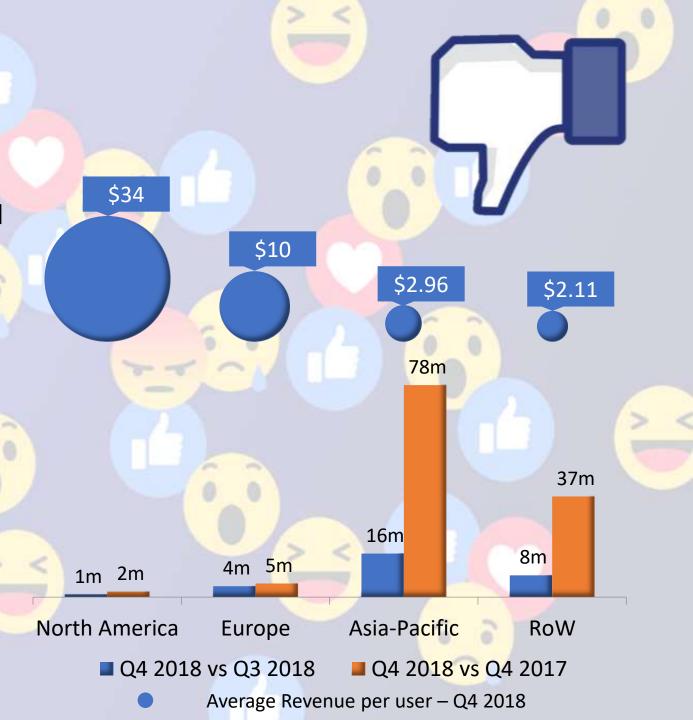
Tech companies have been fined USD 26.7b since 2007 by the EU



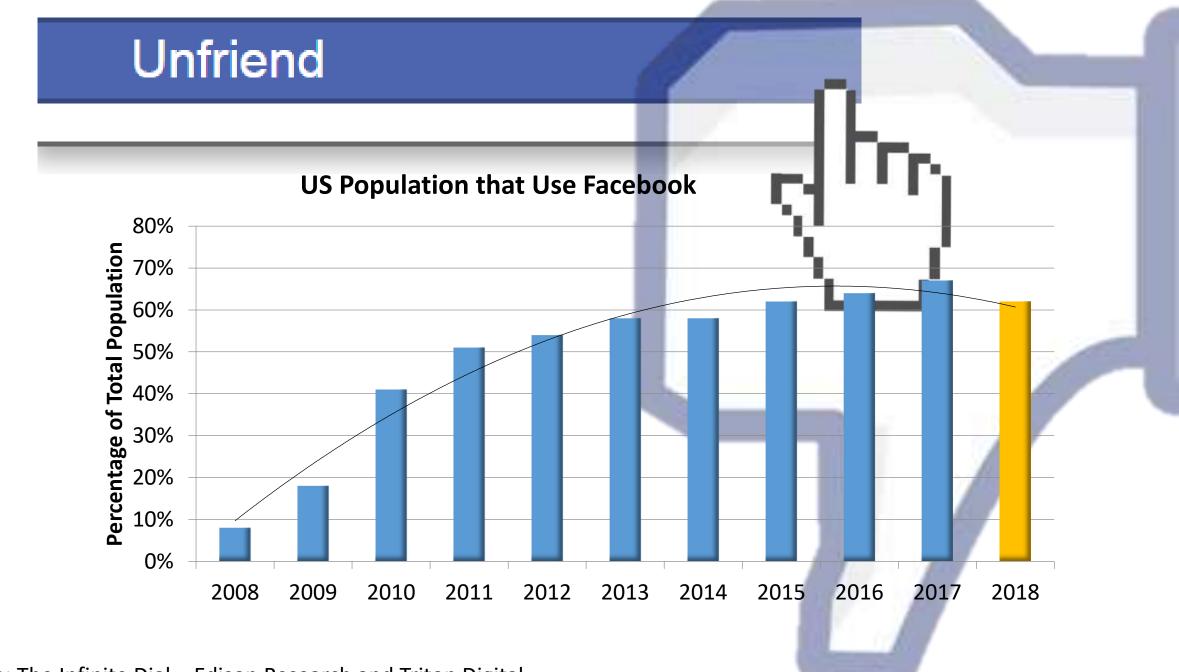
Source: CPP Research Foundation – Conduct Costs Project Report 2017

facebook

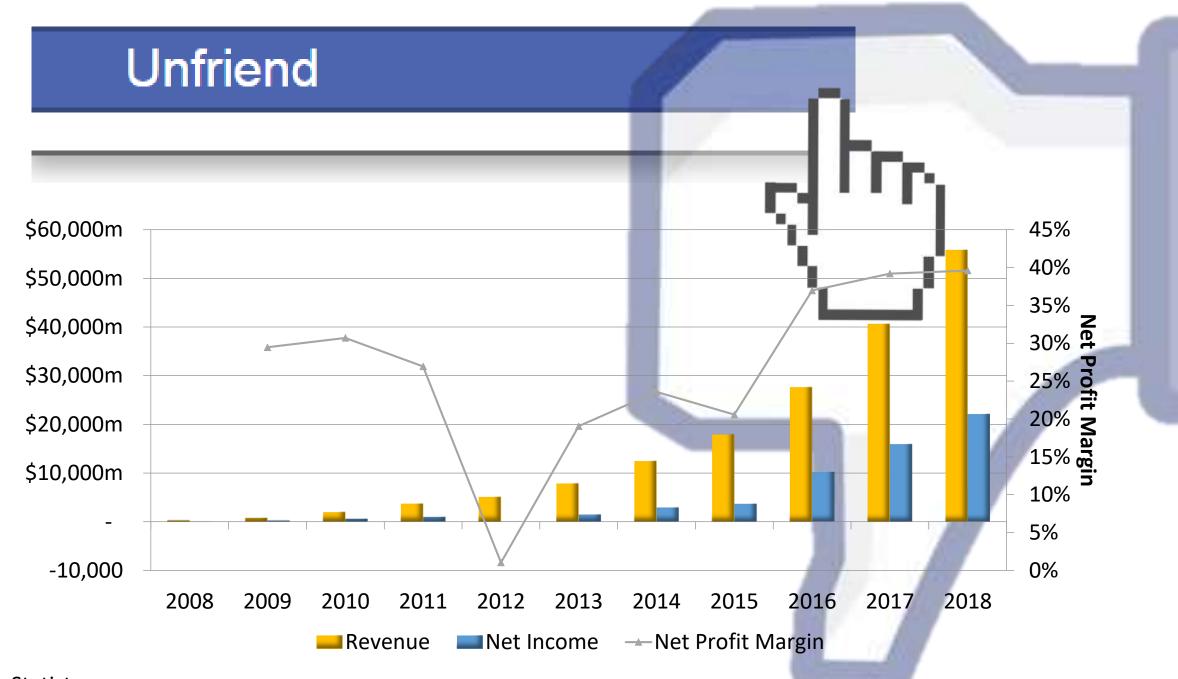
- 2.3 billion monthly active users global internet users is approx. 4 billion
- Growth in high revenue users (North America and Europe) has slowed significantly
- By some measures, US usage has declined
- A time waster's charter
- Headwinds relating to regulation, data privacy and saturation



Source: Statista



Source: The Infinite Dial – Edison Research and Triton Digital



Source: Statista

Mobility Revolution - Profitless Prosperity! 🖵 DiDi **Keolis Bla Bla Car** .->. Citymapper mobike motivate LimeBike ofo scoot **Fransit** zipcar UBER VIQ

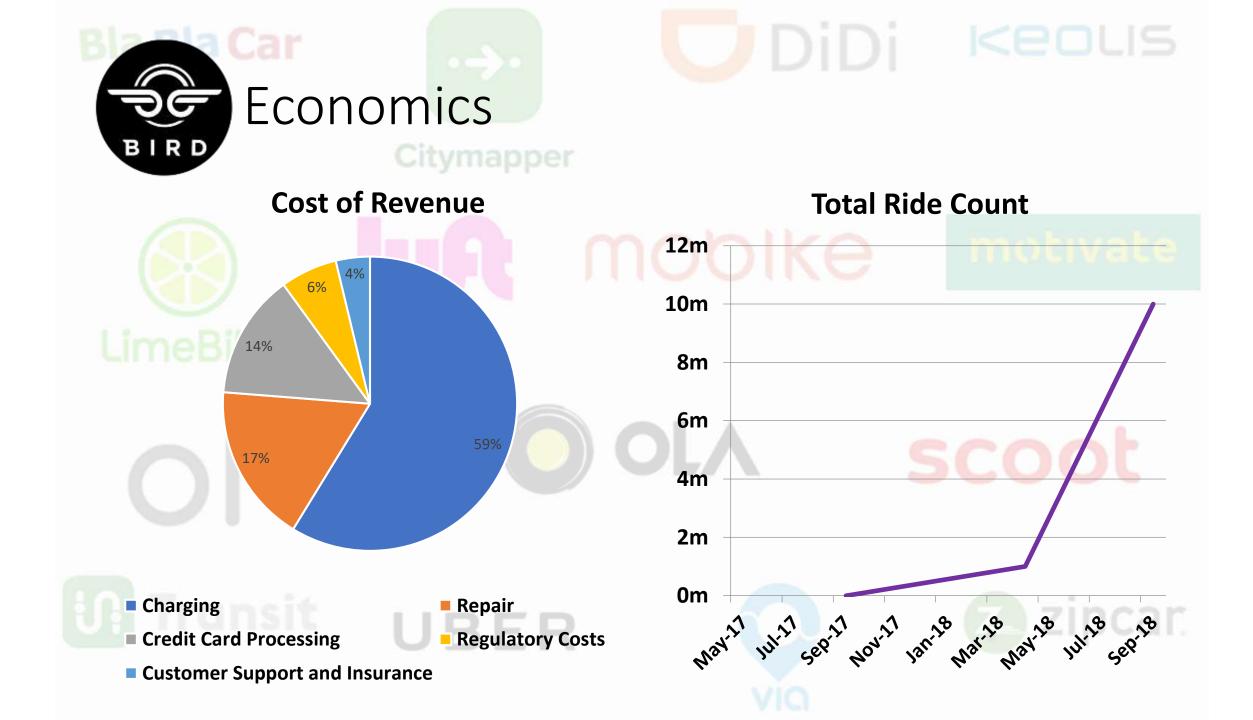
Bla Bla Car Future of Transport

- Ride sharing and micro-mobility companies are burning investors' cash rapidly
- Many achieving unicorn valuations with limited prospect of profitability
- Ride sharing and micro-mobility companies beginning to merge
- Driverless transport has higher margins
- Scootergeddon!



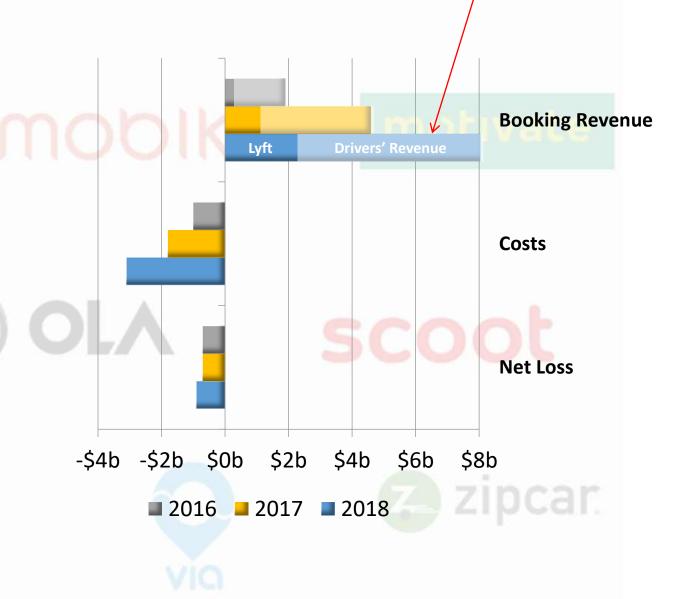
Transport Unicorns – Funds Raised \$24.2b \$20.6b \$4.9b \$2.2b \$1.8b \$0.8b \$0.4b HELLOBIKE Didi JAR . Lime Bird Uper 040 Primary Modes of Transport – Year of Invention 1880 1908 Safety Ford Shared Bicycle Model T e-scooters







71% of fare currently goes to drivers!



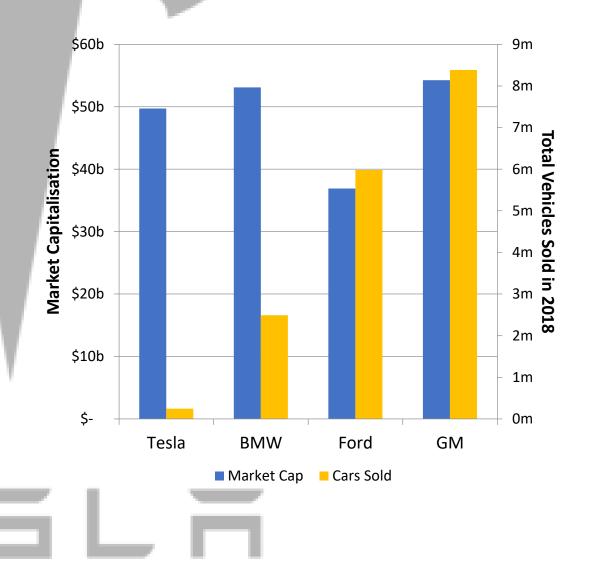
- Hard to make money when paying subsidies to <u>attract riders</u> and bonuses to <u>enlist drivers</u>
- Expansion into autonomous vehicles, bikes and scooters -USD 251m acquisition of Motivate
- IPO 20x oversubscribed yet poor share price performance thus far

Source: Company Reports – figures exclude tips and tolls



Autonomous Crash Waiting to Happen

- Highly leveraged, burning cash in a competitive industry
- Further headwinds from
- Tesla Model 3 almost needs to be best selling car of all time to meet sales projections
- Just announced a 31% drop in sales Q418 to Q119

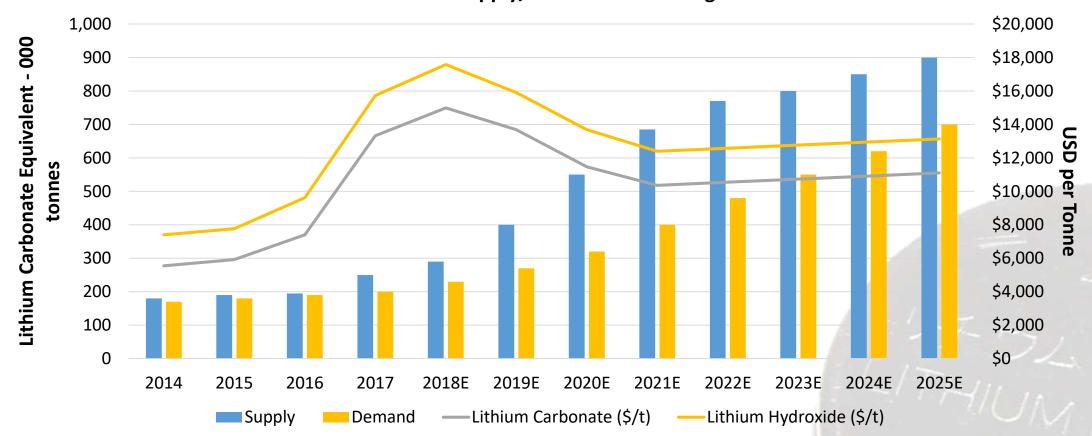




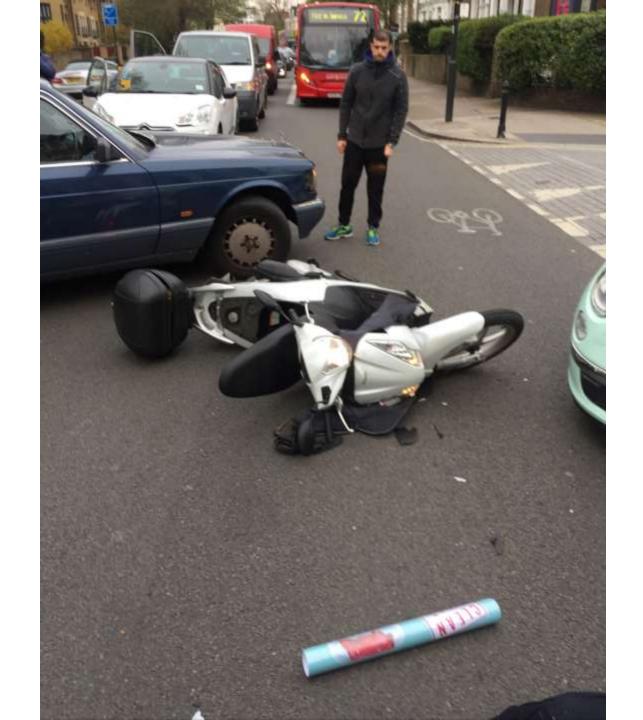


Lithium and Lithium Batteries

Lithium Supply/Demand and Pricing



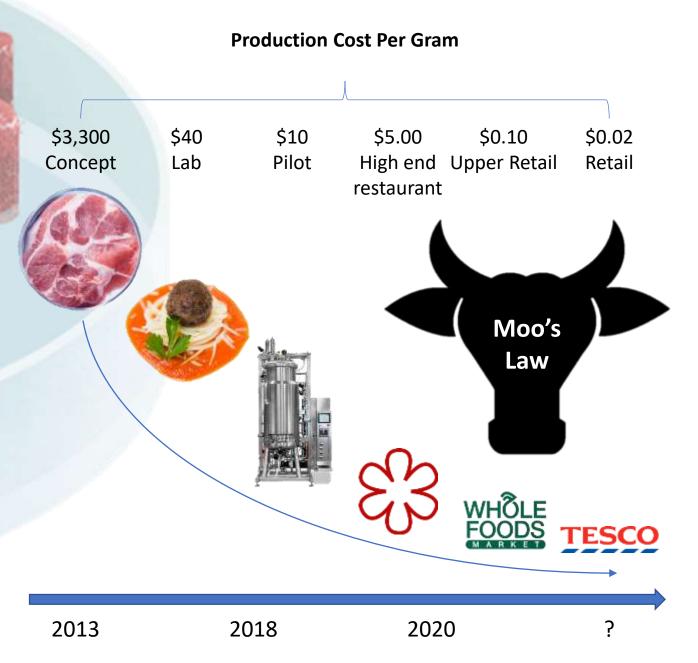




C L E A N M E A T

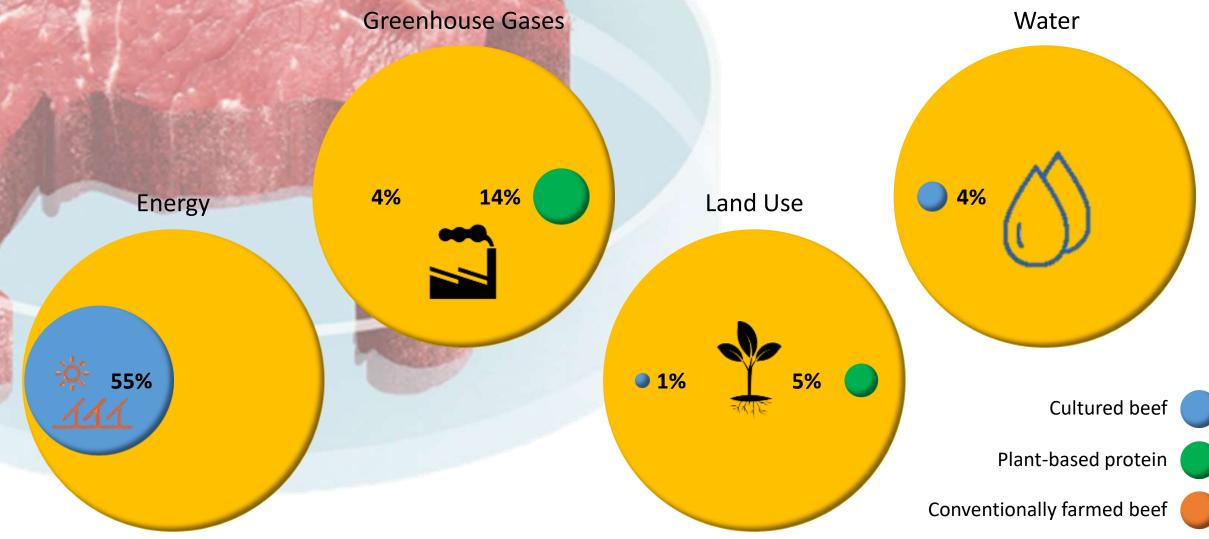
- Demand for animal protein is growing at a rate unsustainable for natural environment
- Proof of concept burger produced by Mark Post cost USD \$325k
- Pure lean muscle no blood, fat or connective tissue
- Numerous start-ups focussed on different species – beef, pork, poultry and seafood

PortErinBiopharmaInvestments(PEBI:AIM)changing name to AgronomicsLimited and focussing on clean meat*



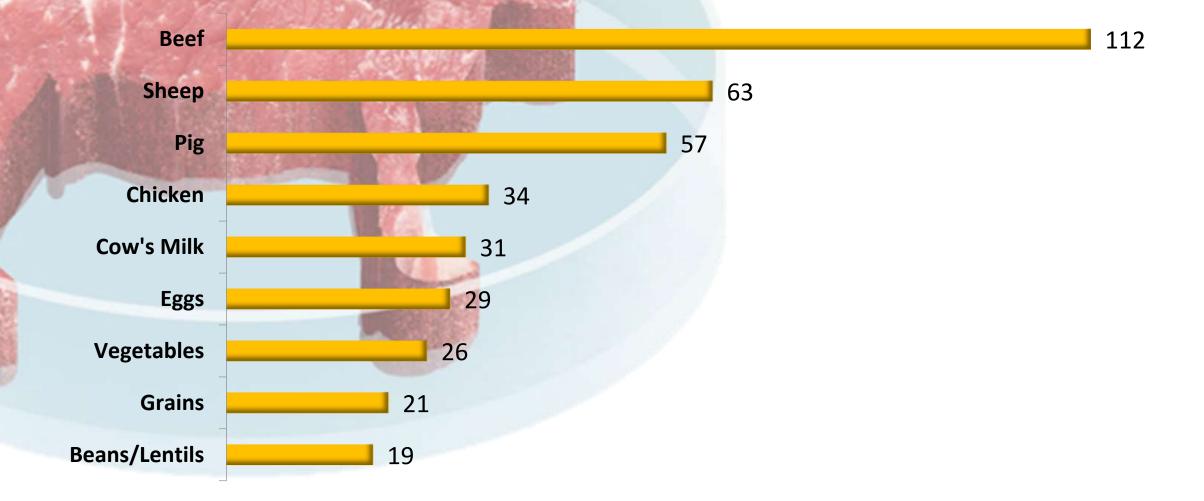
*subject to approval at General Meeting on 16th April 2019

Environmental Comparison



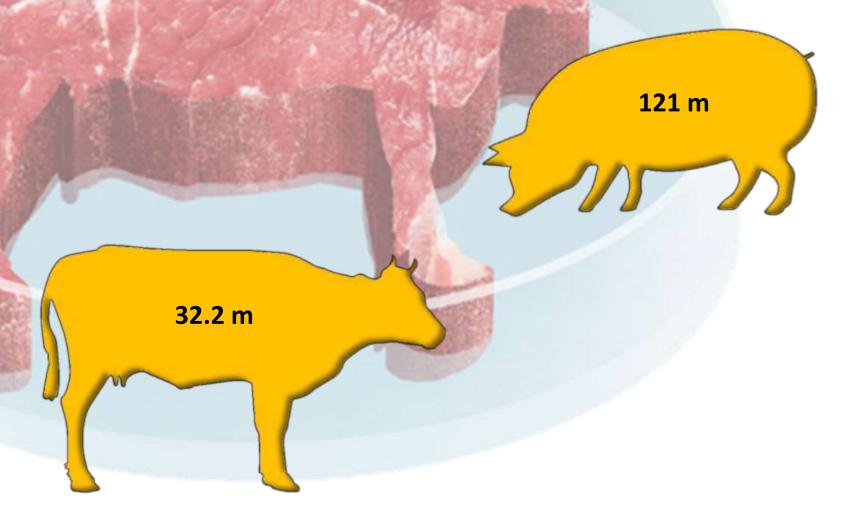
Source: Environmental Science & Technology Journal

Litres of Water to Produce One Gram of Protein

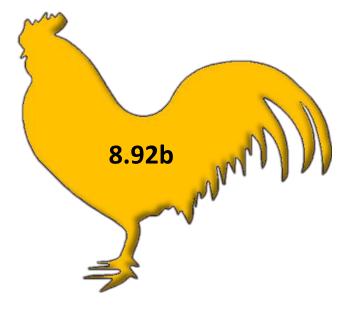


Source: Hoekstra, The Hidden Water Resource Use Behind Meat and Dairy

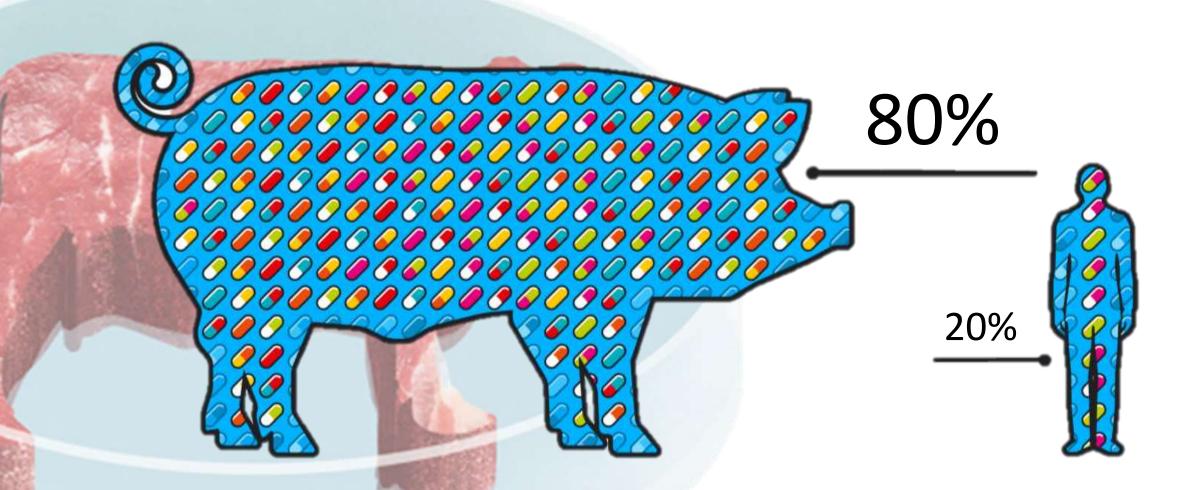
Animals Slaughtered in US Each Year



Poll reveals nearly 50% of Americans want to ban slaughterhouses and would prefer animal free meat



Source: United States Department of Agriculture



Antibiotics

Animals in factory farming are prone to illness due to the crowded conditions. This is the reason why 80% of all antibiotics used in the US are consumed by farm animals



SUPPORTING NEW PROTEIN							
PROCESSING BUHLER BBRECKS CLEXTRAL MATTSON SOURCE TECHNOLOGY WENGER VAN HEES FOOD TECH	INCUVERS	FOOD-X	RebelBio	BITS×BITES PlantStation O The Kitchen	FOR WARD FODING Chobani Incubator	blue Collular foundation PLANT MEAT MATTERS Collular Appliculture Society PHILANTHROPIES	BATH WINVERSITY WINVERSITY TECHNION TECHNION TECHNION TECHNION TECHNION TECHNION





Investment Tips - Macro

Long

- Nikkei 225
- Gold
- Silver
- GBPEUR
- JPYUSD

Short

- Japanese 10-year Bonds
- Swiss 10-year BondsAUDUSD

Investment Tips - Conservative

Company	Market Cap (\$m)	Dividend Yield	P/E Ratio	EV to EBITDA
BP PLC	148,344	5.60%	9.70	5.48
Lloyds Banking Group PLC	59,068	5.10%	7.87	N/A
Delta Air Lines Inc	38,700	2.46%	8.09	6.40
iShares MSCI Japan ETF	14,117	1.46%	N/A	N/A
Johnson Matthey PLC	8,329	2.50%	13.66	12.45
British Land Co PLC	7,555	5.10%	17.34	41.00
Galapagos NV	6,671	0.00%	N/A	N/A
iShares MSCI India ETF	5,133	0.09%	N/A	N/A
iShares MSCI China ETF	4,575	1.65%	N/A	N/A
Biohaven Pharmaceutical H	2,187	0.00%	N/A	N/A
Datang Telecom Technology	1,817	0.00%	N/A	N/A
Woodford Patient Capital Trust	990	0.00%	N/A	N/A

Investment Tips - Aggressive

Company	Market Cap (\$m)	Dividend Yield	P/E Ratio	EV to EBITDA
Highland Gold Mining Ltd	884	5.97%	11.86	5.24
Seres Therapeutics Inc	263	0.00%	N/A	N/A
AgeX Therapeutics Inc	152	0.00%	N/A	N/A
Portage Biotech Inc	114	0.00%	N/A	N/A
4d pharma plc	106	0.00%	N/A	N/A
Condor Gold PLC	20	0.00%	N/A	N/A
Quebec Precious Metals	9	0.00%	N/A	N/A

Investment Tips - Short

Company	Market Cap (\$m)	Dividend Yield	P/E Ratio	EV to EBITDA
Apple Inc	921,130	1.49%	15.05	7.65
Amazon.com Inc	894,333	0.00%	36.03	26.85
Alphabet Inc	839,917	0.00%	18.82	17.49
Facebook Inc	495,281	0.00%	16.89	11.39
Netflix Inc	161,432	0.00%	51.95	73.10
Commonwealth Bank of Australia	89,741	8.64%	13.42	N/A
Westpac Banking Corp	64,359	10.24%	11.29	N/A
Australia & New Zealand Bankin	52,950	8.70%	10.96	N/A
National Australia Bank Ltd	50,360	11.24%	10.56	N/A





I have learned from my mistakes, and I am sure I can repeat them exactly.

Peter Cook

G quotefancy



Theodore Roosevelt

It is not the critic who counts, nor the man who points how the strong man stumbled or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena; whose face is marred by dust and sweat and blood; who strives valiantly...who knows the great enthusiasms, the great devotions, and spend himself in a worthy cause; who, at best, knows the triumph of high achievement; and who, at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory or defeat.