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THEMATICS BAROMETER 2025

Shifting currents in thematic investing sentiment



BNP PARIBAS
ASSET MANAGEMENT

The sustainable investor for a changing world



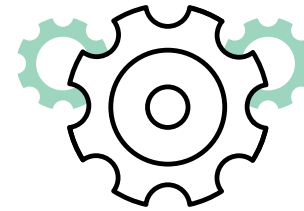
INTRODUCTION

Since 2020, our Thematics Barometer has tracked investor sentiment and trends in thematic investing. By engaging with a diverse group of global investment professionals, we explore the evolving motivations and expectations that shape this forward-looking investment approach.

Our 2025 edition, based on in-depth interviews with 180 institutional investors and intermediary distributors conducted from February to April 2025, reveals nuanced changes. While engagement has seen a slight recalibration since its peak, the underlying conviction in the power of thematic strategies remains robust, particularly for the long term.

The following pages offer a condensed view of our key findings, highlighting significant regional divergences, the persistent rise of private markets in thematic allocations and the dominant themes capturing investor interest – with innovation, particularly AI, leading the charge. As the market navigates evolving economic signals and regulatory frameworks, we reveal how investors are positioning themselves for the future.

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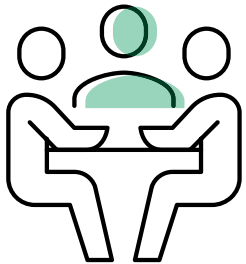
Steven Billiet
Head of Global Client Group

“ With volatility and uncertainty looming large, thematic investing has emerged as a powerful tool for investors to capitalise on the structural forces shaping the global economy ”



FAMILIARITY WITH THEMATICS IS STRONG

While overall interest in thematics has declined slightly – from **56% in 2020** to **49% in 2025** – intermediaries remain firmly committed. Institutional investors, particularly in North America, have pulled back.



Familiarity with thematic investing

88%

of **all investors** are now familiar with thematic investing, including

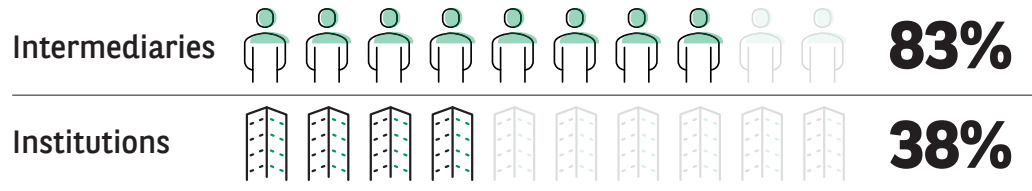
95%

of **intermediary investors**, underscoring the mainstream adoption of thematic strategies



INTERMEDIARIES REMAIN COMMITTED

Institutional investors and intermediary distributors currently investing or planning to invest



Intermediary investors maintained strong investment levels in thematic strategies at

71%

in 2025, nearly unchanged from **70%** in 2024

Institutional investors' deployment of thematic investing declined from **42%** in 2024 to

31%

in 2025, returning to 2023 levels. This pullback was particularly pronounced in North America

Source: BNP Paribas Asset Management, BNP Paribas Corporate & Institutional Banking, Coalition Greenwich. Coalition Greenwich conducted interviews for this year's Thematics Barometer with 180 investors globally from February to April 2025.



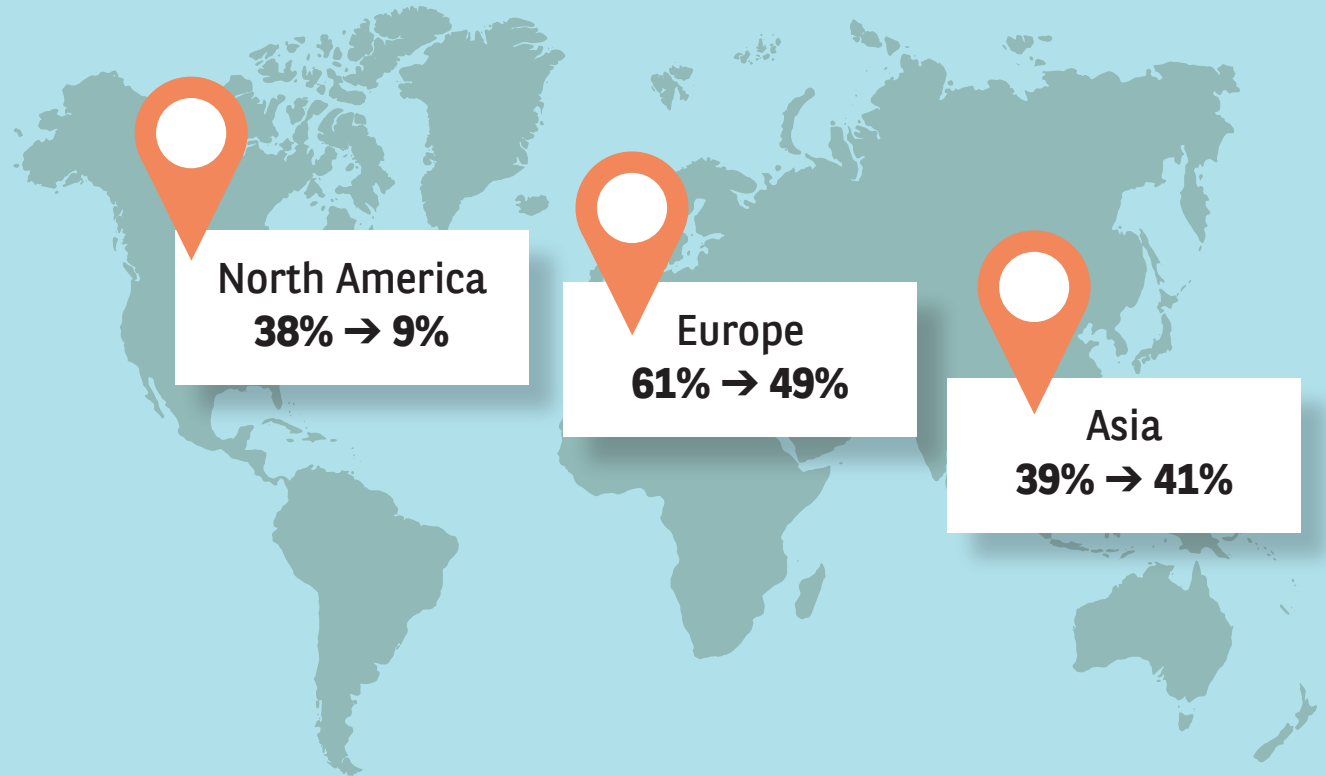
WHO WE SPOKE TO

Total respondents: 180

Coverage: well-diversified group from **Europe, Asia** and **North America** consistent with previous years, with a slight under-representation of North America intermediaries.

North America's retreat dominates headlines, but **Asia is showing resilience**, posting slight growth and deeper engagement with innovation-led themes. Europe's thematics investment is now just above 2020 levels.

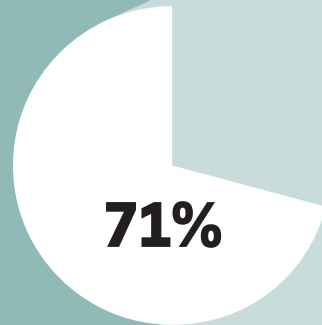
Regional engagement with thematics from 2024 to 2025





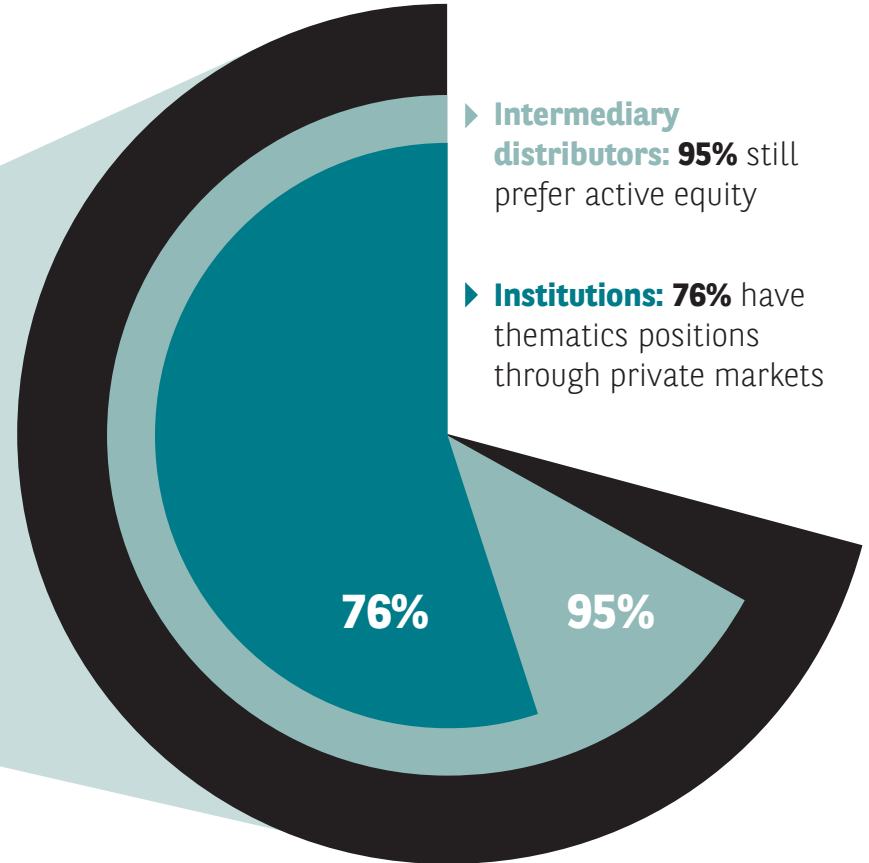
PRIVATE MARKETS SURGE

One of the most striking developments in the thematic space is the growing prominence of **private markets**. Overall, private market exposure to thematic now rivals that of fundamental active equities, especially for institutions in Europe and North America. Asian investors maintain a traditional tilt.



Overall, 71% of investors in private markets have thematic positions

Thematics demand



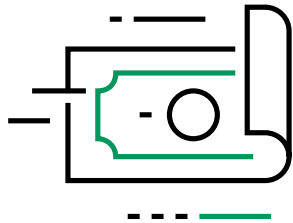
- ▶ **Intermediary distributors: 95%** still prefer active equity
- ▶ **Institutions: 76%** have thematic positions through private markets

Source: BNP Paribas Asset Management, BNP Paribas Corporate & Institutional Banking, Coalition Greenwich. Coalition Greenwich conducted interviews for this year's Thematics Barometer with 180 investors globally from February to April 2025.

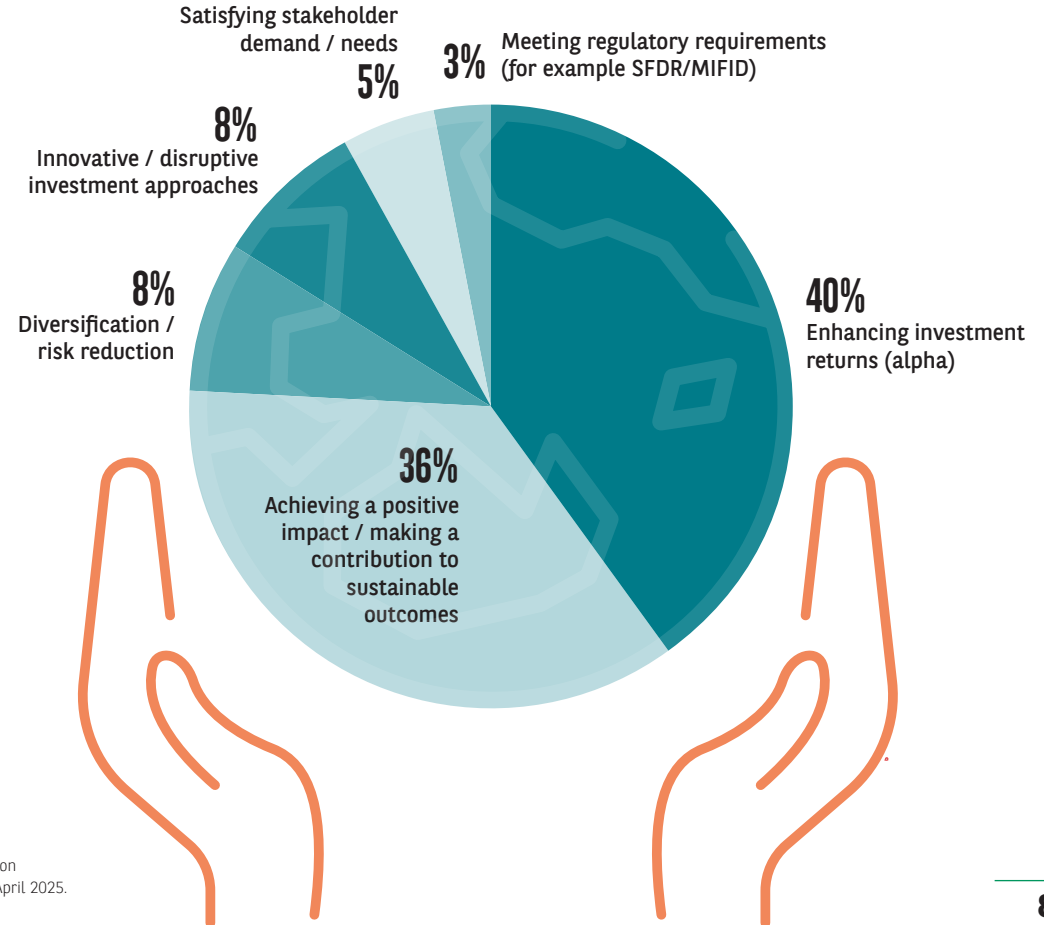


RETURN OVERTAKES IMPACT AS KEY MOTIVATOR

In a change from previous years, **investment returns are the main objective** behind thematic investments globally. Achieving a positive impact / making a contribution to sustainable outcomes remains a strong motivation, ranking second, just behind returns.



Top reason for thematic investing



Source: BNP Paribas Asset Management, BNP Paribas Corporate & Institutional Banking, Coalition Greenwich. Coalition Greenwich conducted interviews for this year's Thematics Barometer with 180 investors globally from February to April 2025.



Primary motivation for thematic investing

	Europe	Asia	North America
Enhancing investment returns (alpha)	34%	39%	73%
Achieving a positive impact / making a contribution to sustainable outcomes	42%	32%	7%
Diversification / risk reduction	7%	10%	13%
Innovative / disruptive investment approaches	8%	10%	7%
Satisfying stakeholder demand / needs	5%	6%	0%
Meeting regulatory requirements (for example SFDR/MIFID)	2%	3%	0%

73%

in **North America** ranked enhancing returns as the top driver behind their thematic investments





AI TAKES OVER

Artificial intelligence (AI) is by far the most popular innovation and disruption theme, with **79%** of investors globally identifying it as a top interest in 2025, up **20%** since 2023.

Beyond the phenomenal interest in AI, other innovation themes continue to attract significant investor interest:

Innovation and disruption themes - Overall Preferences



*Especially intermediaries

Innovation and disruption theme preferences

	Europe	Asia	North America
Artificial intelligence	33%	61%	36%
Healthcare innovation	12%	11%	14%
Biotechnology	12%	7%	7%
Robotics	10%	4%	7%
Security and safety	3%	0	0
Consumer innovation	11%	7%	7%
Smart cities	5%	4%	14%
Block chain	8%	7%	14%

61%

of respondents in Asia ranked **AI #1**, vs 36% in North America and 31% in Europe



Pamela Hegarty

Senior Portfolio Manager,
Disruptive Technology
Strategy

“ Artificial intelligence is fast becoming a pervasive technology at the centre of digital transformation initiatives. While the risk of cyclical investment behaviour is heightened, lower cost should ultimately drive broader adoption. We believe we are still in the early innings of the AI theme ”





Jon Stephenson

Senior Portfolio Manager,
Healthcare Innovation
Strategy

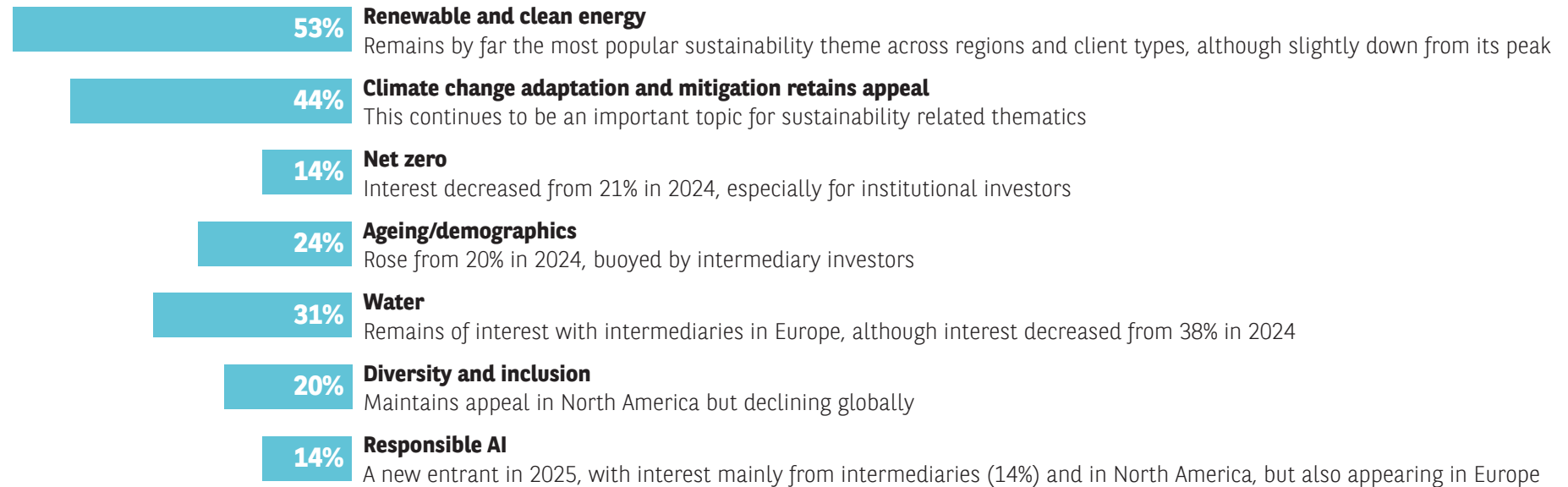
“ Healthcare is one of the most innovative sectors. This is perhaps most evident in biotechnology where leaps in computing power enable analysis of genetic code to identify novel targets for drug development. It is also visible in medical technology where miniaturisation, automation and robotics are rapidly advancing surgical outcomes ”



A SHARP SHIFT TO ACTIONABLE THEMES

In sustainability-related themes, investor preferences are evolving, moving from broad SDG alignment towards more specific, actionable themes.

Sustainability-related theme interest year-on-year





Jane Ambachtsheer

Global Head of
Sustainability

“ It is encouraging to see that renewable and clean energy remains the most popular sustainability-related theme in this year’s results, with climate change and adaptation continuing to resonate across regions too. This interest is both timely and essential given the considerable climate financing gap ”

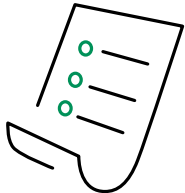


REGULATORY DRIVERS AND FUTURE EXPECTATIONS

Navigating the regulatory environment remains a key consideration for thematic investors.



SFDR classification is the leading regulatory factor when selecting thematic strategies, especially crucial for European investors.



Fiduciary duty dominates considerations in North America, reflecting the region's distinct regulatory and legal framework.

Growth outlook

33%

of investors expect near-term performance gains

81%

remain confident in the long-term value of thematic strategies

Looking ahead, **thematic equity investing** is anticipated to be a significant growth area, closely followed by **private markets**.



Edward Lees

Senior Portfolio Manager,
Energy Transition Strategy

“ This year brings developing clarity to environmental policy, growing infrastructure expenditure and greater focus on grid and power resources, all of which combine to support energy transition ”

BNP Paribas Asset Management is ranked in the top three globally and number one in Asia for thematic investing.

To discuss these findings or explore our range of thematic strategies, please contact your BNP Paribas Asset Management representative or visit bnpparibas.com.

Source: BNP Paribas Asset Management, BNP Paribas Corporate & Institutional Banking, Coalition Greenwich. Coalition Greenwich conducted interviews for this year's Thematics Barometer with 180 investors globally from February to April 2025.

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