

PRESS RELEASE

BNP Paribas Asset Management survey reveals growing investor enthusiasm for thematic investing

BNP Paribas Asset Management ('BNPP AM') reveals the key findings of its latest survey conducted by Greenwich Associates¹ on institutional and wholesale investors' attitudes to thematic investing.

Investor appetite for thematic funds has grown significantly over the past 12 months. More than just an industry trend, this structural change highlights a fundamental shift in approach to asset allocation, away from a focus on asset class, geography and business sector, and towards a more thematic approach.

The survey highlights that:

- 88% of wholesale and 36% of institutional investors already use or plan to use thematic strategies
- 90% of investors believe that thematic investing has a positive impact on long term performance
- 76% of investors' main objective for using thematic investing strategies is sustainability and ESG, followed by the ability to enhance investment returns (42%), to include a more innovative or disruptive investment approach (36%), or to increase diversification (30%).

Sustainable thematic investing is on the rise

There is a growing appetite for sustainable thematic funds as investors increasingly want their investments to have a positive impact on the world around them. Sustainability and ESG was identified by the highest proportion of respondents, with the leading preference being an overall focus on the UN Sustainable Development Goals (41%), followed by climate change solutions (21%) and renewable energy (18%). This acceleration reflects the broader asset management industry trend and the supportive regulatory and public policy backdrop, including initiatives such as the Sustainable Finance Disclosure Regulation ('SFDR'), the EU Taxonomy, the EU Green Deal and the Biden administration's prioritisation of reducing the United States' carbon footprint and achieving net zero.

An increased appetite for technology and innovation themes

Among the themes related to innovation and technology, respondents identified the most attractive as being health (28%), robotics & artificial intelligence (23%) and disruptive technologies (13%). More than 50% identified these themes as being among the three they considered the most appealing. These were followed by disruption themes such as cyber security, biotech, 5G and smart cities.

This interest in digitisation has clearly accelerated with the Covid-19 pandemic and the need to adapt to new ways of living and working remotely. Many associated sectors have demonstrated resilience during the crisis due to their flexibility and ability to adapt. This is particularly the case for areas such as healthcare innovators, which proved to be highly robust as secular growth trends including population ageing, movement towards healthier lifestyles and increasing appetite for healthcare in developing economies have remained intact.

¹ The research is based on the feedback of 153 participants, comprising a selection of European and Asian intermediary distributors and institutional investors.



BNP PARIBAS
ASSET MANAGEMENT

**The sustainable
investor for a
changing world**

Attention on fixed income

Thematic investing has typically been more focused on equities, but there is growing traction within fixed income. The study showed that the majority of investors are using or considering equities for thematic investing (87%), followed by fixed income (42%), ahead of multi-asset and private markets (both 30%). This data underlines a growing and accelerating trend towards allocating to fixed income themes, demonstrating a fundamental shift in approach to asset allocation, with thematic investing becoming an integral part.

Pierre Moulin, Member of the Executive Committee and Global Head of Product & Strategic Marketing at BNPP AM comments:

"The growth of thematic investing has been remarkable, expanding threefold between 2017 and 2020, with notable support from distributors and retail investors. We expect this trend to accelerate, driven by upcoming regulatory change, including the integration of ESG preferences in investor choices under MiFID II, as well as growing demand from institutional investors for thematic strategies."

BNPP AM's assets under management in thematic funds increased by 66% to EUR 25 billion in 2020 compared to 2019. The thematic range includes Energy Transition, currently valued at EUR 3.4 billion and ranked second best performing active equity fund in 2020, Environmental Absolute Return Thematic ('EARTH'), Inclusive Growth, Disruptive Technology and Healthcare Innovators.

- ENDS -

PRESS CONTACT

BNP Paribas Asset Management

Quentin Smith

+44 7827 356 890

quentin.smith@bnpparibas.com

About BNP Paribas Asset Management

BNP Paribas Asset Management ('BNPP AM') is the investment arm of BNP Paribas, a leading banking group in Europe with international reach. BNPP AM aims to generate long-term sustainable investment returns for its clients, based on a unique sustainability-driven philosophy. BNPP AM's investment capabilities are focused around five key strategies: High Conviction Strategies, Private Debt & Real Assets, Multi-Asset, Quantitative & Solutions ('MAQS'), Emerging Markets and Liquidity Solutions, with investment processes incorporating quantitative and fundamental analysis.

Sustainability is embedded within BNPP AM's strategy and investment decision-making. Among the leaders in thematic investment in Europe, BNPP AM contributes to the energy transition, environmental sustainability and the promotion of equality and inclusive growth. BNPP AM currently manages EUR 474 billion of assets (EUR 609 billion of assets under management and advisory) and benefits from the expertise of over 500 investment professionals and around 500 client servicing specialists, serving individual, corporate and institutional clients in 71 countries.

Source: BNPP AM, as at 31 March 2021

For more information please visit bnpparibas-am.com our [newsroom](#) or follow us on



BNP PARIBAS
ASSET MANAGEMENT

**The sustainable
investor for a
changing world**

Additional information

BNP PARIBAS ASSET MANAGEMENT UK Limited, 'the investment company', is authorised and regulated by the Financial Conduct Authority. Registered in England No: 02474627, registered office: 5 Aldermanbury Square, London, England, EC2V 7BP, United Kingdom.

This material is produced for information purposes only and does not constitute:

1. an offer to buy nor a solicitation to sell, nor shall it form the basis of or be relied upon in connection with any contract or commitment whatsoever or
2. investment advice.

This material is issued and has been prepared by the investment company. It contains opinions and statistical data that are considered lawful and correct on the day of their publication according to the economic and financial environment at the time. This document does not constitute investment advice or form part of an offer or invitation to subscribe for or to purchase any financial instrument(s) nor shall it or any part of it form the basis of any contract or commitment whatsoever.

This document is provided without knowledge of an investors' situation. Prior to any subscription, investors should verify in which countries the financial instruments referred to in this document refers are registered and authorised for public sale. In particular financial instruments cannot be offered or sold publicly in the United States. Investors considering subscriptions should read carefully the most recent prospectus and Key Investor Information Document (KIID) agreed by the regulatory authority, available on the website. Investors are invited to consult the most recent financial reports, which are also available on the website. Investors should consult their own legal and tax advisors prior to investing. Given the economic and market risks, there can be no assurance that the financial instrument(s) will achieve its investment objectives. Their value can decrease as well as increase. In particular, changes in currency exchange rates may affect the value of an investment. Performance that is shown net of management fees and is calculated using global returns with time factored in, with net dividends and reinvested interest, and does not include subscription-redemption fees, exchange rate fees or tax. Any gross of fees performance included in this material do not reflect the deduction of commission, fees and other expenses incurred. Returns will be reduced after the deduction of such fees. Past performance is not a guarantee of future results.

This document is directed only at person(s) who have professional experience in matters relating to investments ('relevant persons'). Any investment or investment activity to which this document relates is available only to and will be engaged in only with Professional Clients as defined in the rules of the Financial Conduct Authority. Any person who is not a relevant person should not act or rely on this document or any of its contents.

All information referred to in this document is available at www.bnpparibas-am.com.

This is a Marketing Communication for Professional Investors only. No assurance can be given that any forecast, target or opinion will materialise.

As at June 2021.



BNP PARIBAS
ASSET MANAGEMENT

**The sustainable
investor for a
changing world**