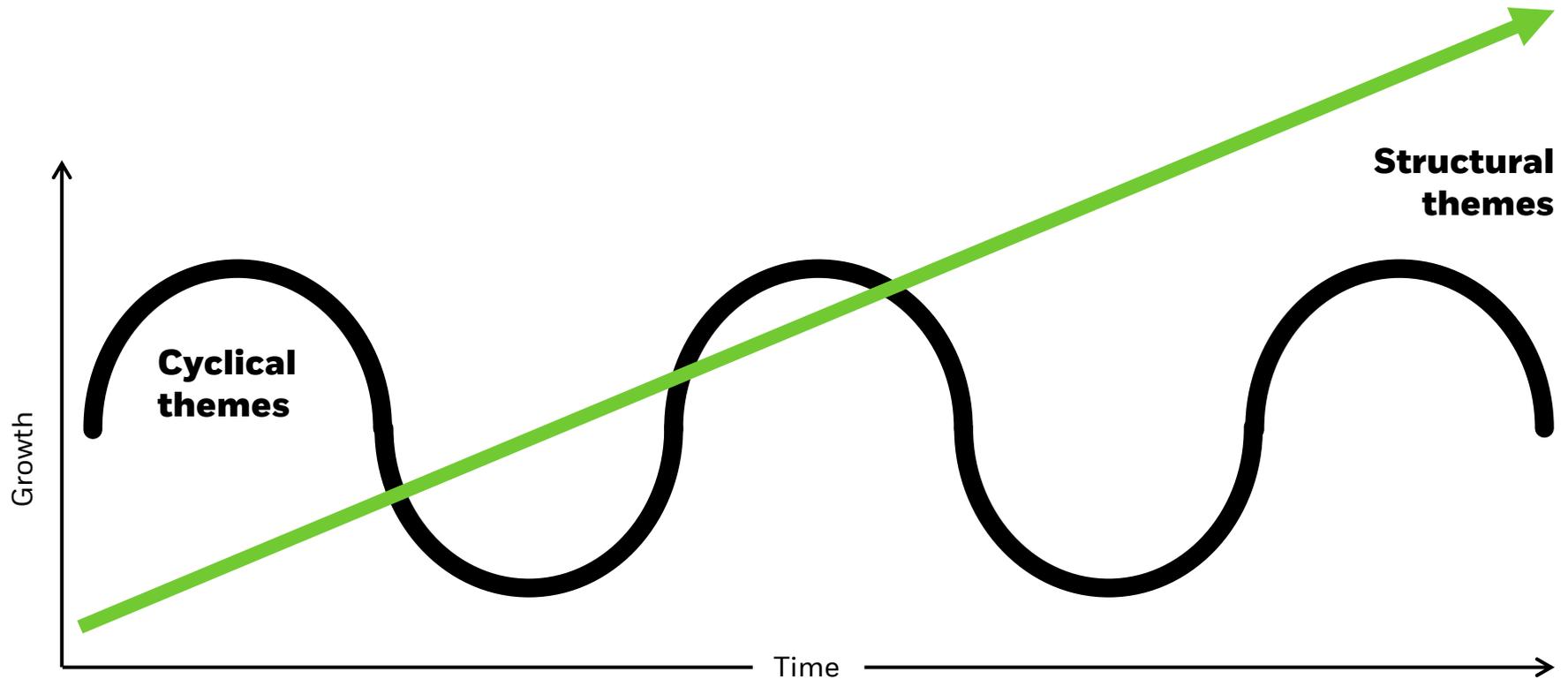


MEGATRENDS OWN THE FUTURE



Structural > Cyclical

Structural themes are long-term opportunities driven by powerful transformations in our economy & society



For illustrative purposes only.

What are Megatrends?

Megatrends are the long-term, transformational forces driving our global economy & society



**Technological
breakthrough**



**Demographics
& social change**



**Rapid
urbanization**



**Climate change &
resource scarcity**



**Emerging
global wealth**

Structural theme:
horses
vs. cars



**From 1905–1930,
the number of
horse-drawn
carriages fell**

93%



Source: [International Monetary Fund \(IMF\) Riding the Energy Transition](#), May 2017.

**Televisions in U.S.
households**

0.01%

1946¹

¹ "1920s-1960s Television", [Elon University School of Communications](#).



Televisions in U.S. households

83%

1958¹

¹ "Number of TV Households in America", Buffalo History Museum.



Years new technology takes to reach 1/4 of American Population¹

2021

TikTok 2 years²

¹ Pew Research Center: Social Media Use in 2021; Yahoo Finance for number of active users at Facebook over the years. Pew Research Chart of the Week: The ever-accelerating rate of technology adoption. ² [Wallaroo Media, Jun 2021](#). References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.

1876
Telephone
35 years

1975
PC
16 years

1991
The Web
7 years

2004
Facebook
4 years





Structural change

occurs over time,
but is measured
in moments

**The world has
changed**

**Due to
COVID-19...**

**\$501
billion**

committed to
green energy in
2020¹

1st

FDA-approved
mRNA vaccine²

72%

of CFOs to
offer more WFH
flexibility³

¹ Bloomberg. What Does \$500 Billion for Clean Energy Mean for Climate Change. Jan 21. ² FDA, Aug 2021. ³ PwC US CFO Pulse Survey. Jun 2020.



The Goldilocks problem



F - A - A - N - G

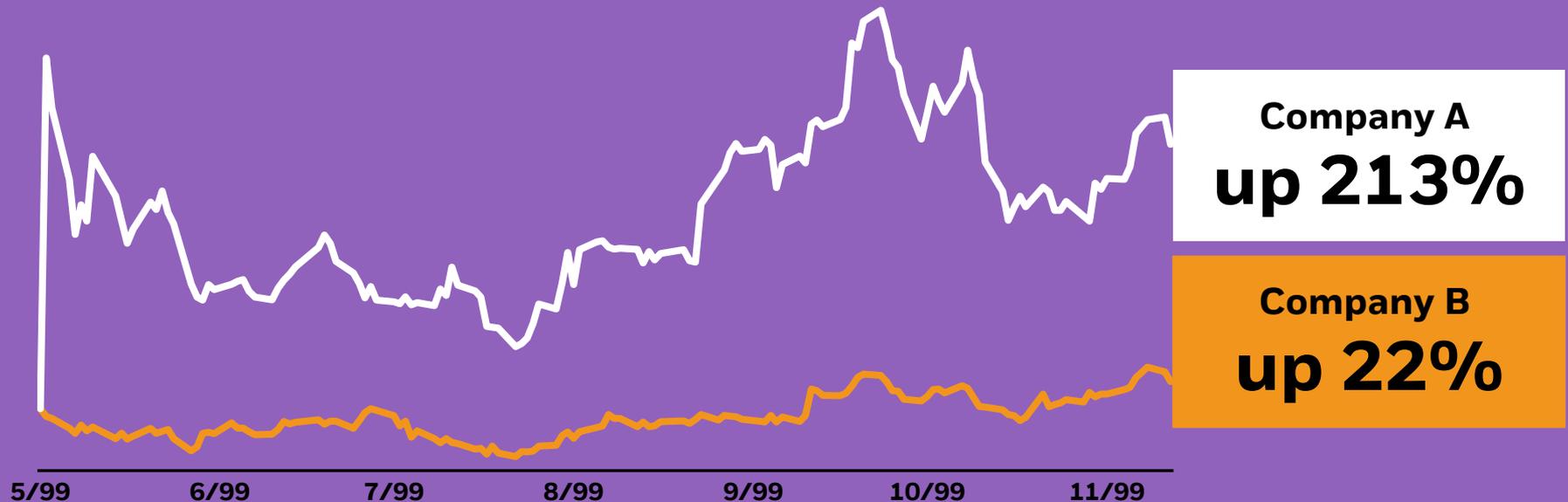


T - R - E - N - D

Can you spot the FAANG?

Two “pure-play” e-commerce names had very different charts in 1999

May 19, 1999 to November 30, 1999

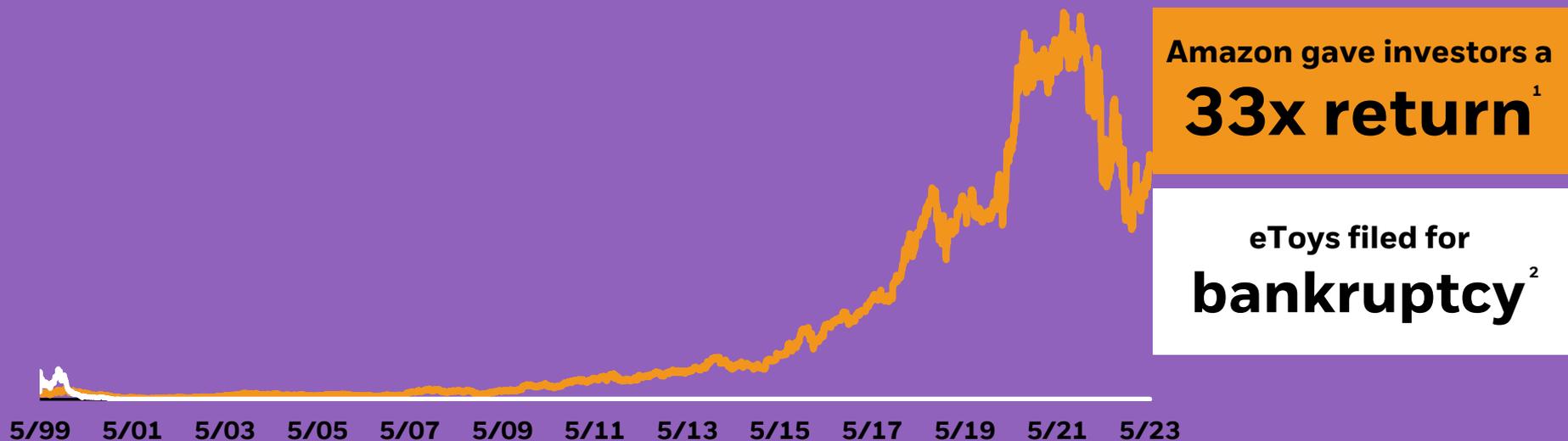


For illustrative purposes only. Source: Bloomberg, December 2019.

Can you spot the FAANG?

They're even more different 20+ years later

Growth from May 19, 1999 to May 19, 2022



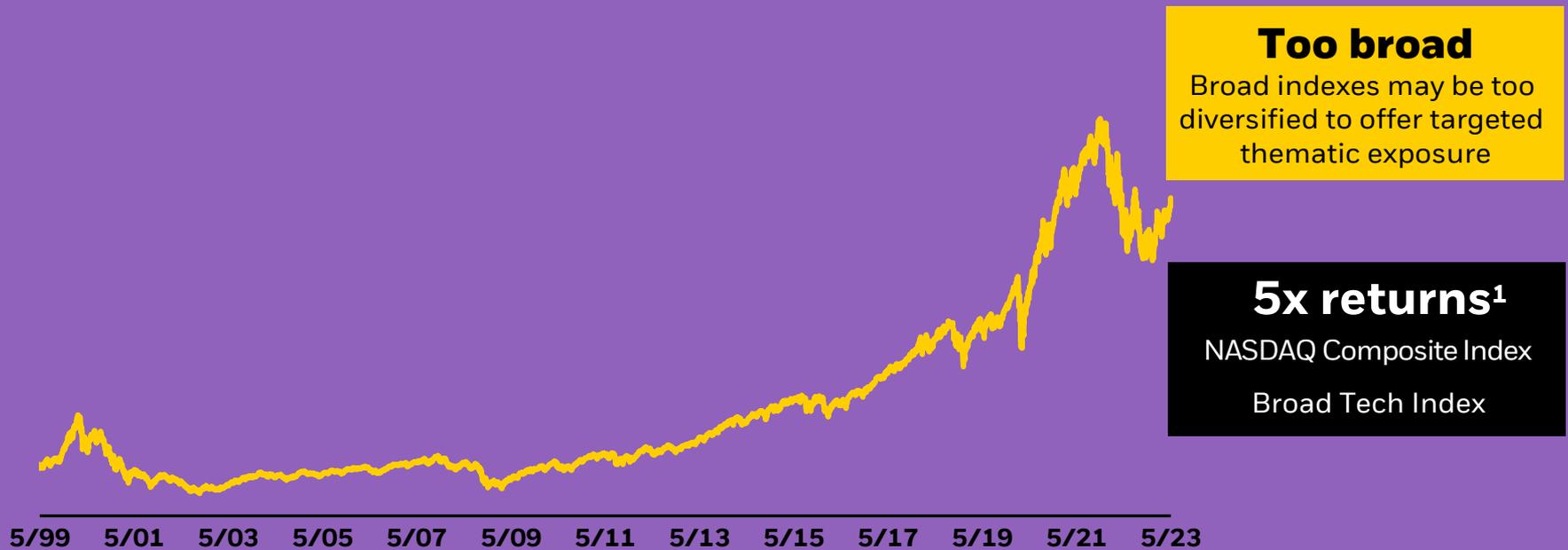
For illustrative purposes only. Source: Bloomberg, June 2023.

1 Amazon total return was 3,332% between 5/19/99 and 5/19/23. Includes dividends. **2** eToys filed for bankruptcy in February, 2001.

References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.

What about a tech-focused index?

Nasdaq



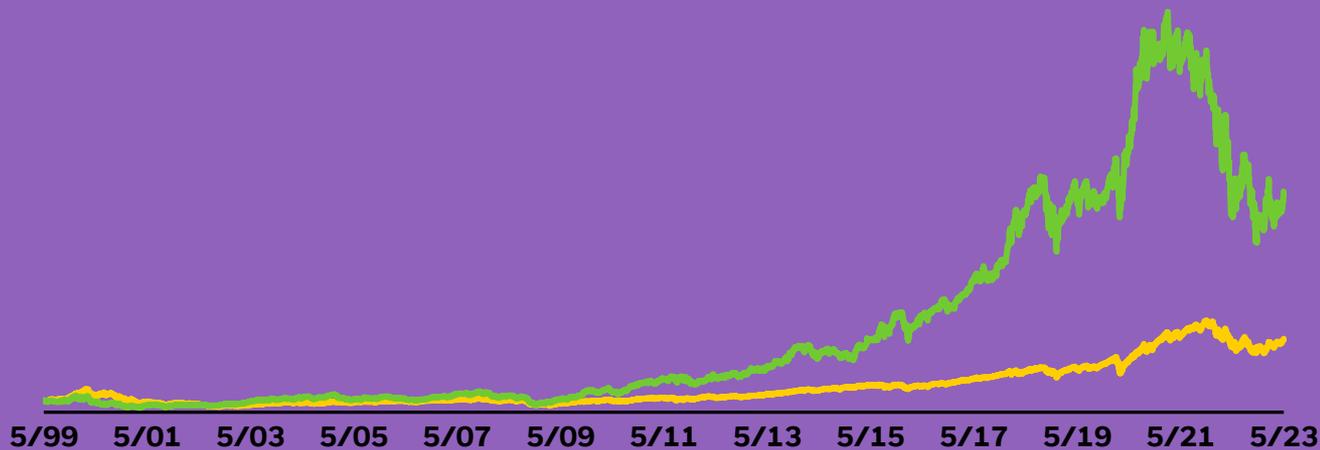
For illustrative purposes only. Source: Bloomberg, June 2023.

¹ Nasdaq returned 518% between 5/19/99 and 5/19/23.

Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

What about an e-commerce index?

Nasdaq vs. E-commerce Index



17x returns¹
MSCI ACWI
Internet and
Direct Retail Index
Megatrends Index

5x returns¹
NASDAQ
Composite Index
Broad Tech Index

¹ Reflects total returns, including dividends, from between 5/19/99 and 5/19/23. Data from Bloomberg as of June 2023. The MSCI ACWI Internet & Direct Marketing Retail Index has returned 1,723% and the Nasdaq Composite Index has returned 518% over this time period. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transactions costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

The Goldilocks scenario

Single stocks

Increased risk
Lack diversification

??
returns¹

Megatrend Index

Theme Beta

16x
returns¹

MSCI ACWI Internet &
Direct Marketing Retail Index
Targeted Index

Broad Index

Lack targeted exposure

5x
returns¹

Nasdaq Composite Index
Broad Tech Index

¹ Reflects total returns, including dividends, from 05/19/99 through 5/19/22. Data from Bloomberg as of September 2022. The MSCI ACWI Internet & Direct Marketing Retail Index has returned 1,598% and the Nasdaq Composite Index has returned 451% over this time period. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transactions costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

It's on the tip of your tongue

Are self driving
cars cool?



And the top of your Twitter

Will there be
more of them
on the road in
10 years?



At a tipping point

Regulatory, societal and economic forces are tailwinds for long-term, secular trends

Regulatory

Societal

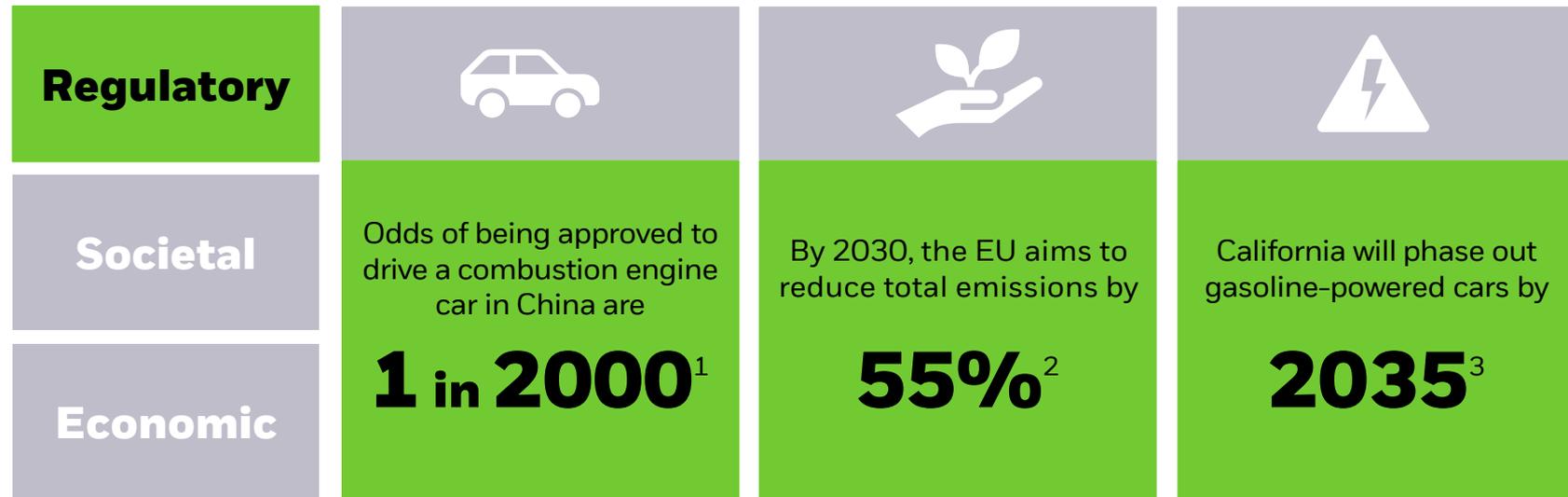
Economic

forces

For illustrative purposes only.

At a tipping point

Regulatory, societal and economic forces are tailwinds for long-term, secular trends



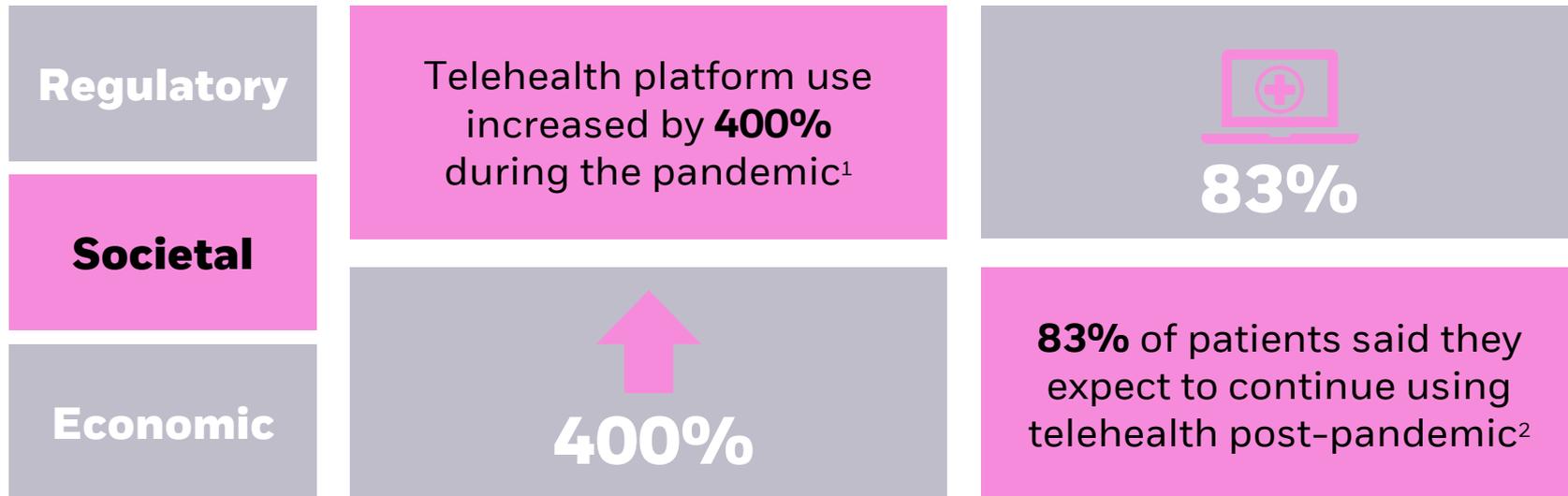
For illustrative purposes only. Forecasts may not come to pass. **1** Chinosity, Oct 2020. **2** ec.europa.eu, Jan 2019 **3** Office of Governor Newsom, Sep 2020

At a tipping point

Regulatory, societal and economic forces are tailwinds for long-term, secular trends



**Demographics
& social change**



For illustrative purposes only. Source: **1** McKinsey: "Telehealth: A quarter-trillion dollar post-COVID reality?" May 2020. **2** Doctor.com, Jun 2020.

At a tipping point

Regulatory, societal and economic forces are tailwinds for long-term, secular trends



Forecasts may not come to pass. Source: **1** [Forbes, Aug 2017](#). **2** [IDC.com, Aug 2020](#) For illustrative purposes only.

Megatrends are driving change

Megatrends are the long-term, transformational forces driving our global economy & society.



**Technological
breakthrough**



**Demographics
& social change**



**Rapid
urbanization**

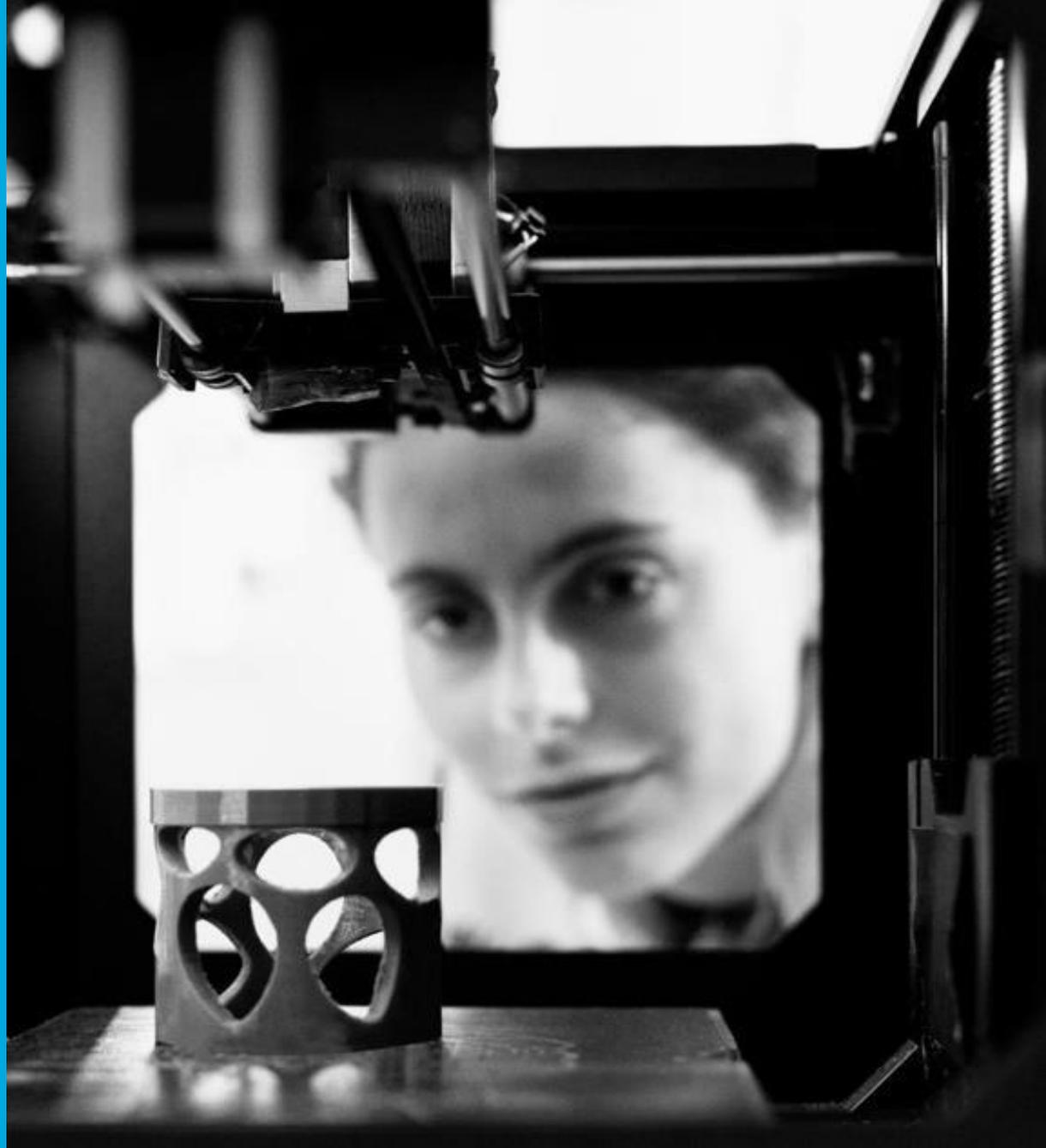


**Climate change &
resource scarcity**



**Emerging
global wealth**

Technological breakthrough



What would you rather sacrifice for one week?



OR



Drumroll please...



49%

**willing to
give up dessert**

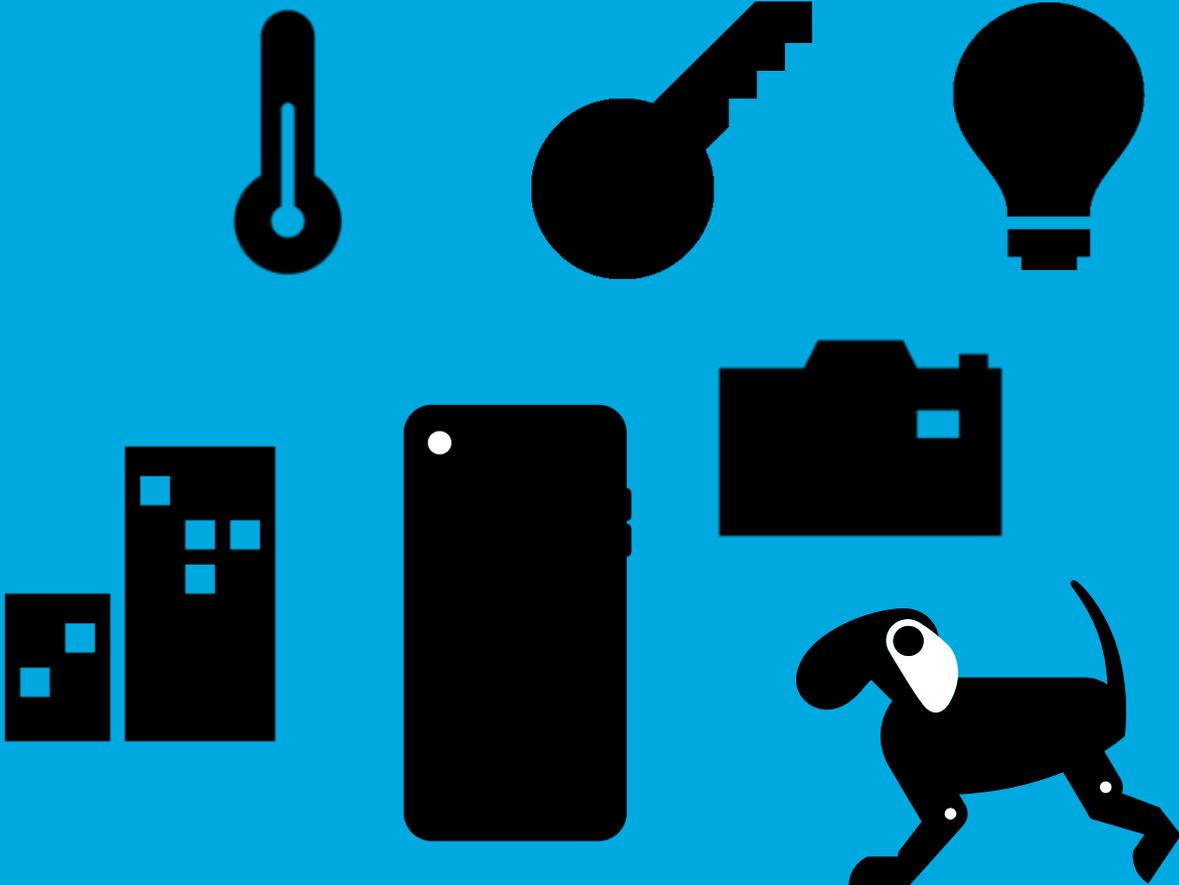


74%

**willing to
give up alcohol**

Internet-connected devices

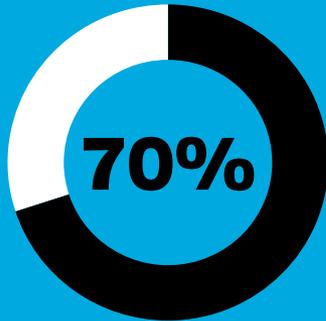
2025 **75bn**
2023 **50bn**
2021 **35bn**
2019 **28bn**
2017 **20bn**
2015 **15bn**



Source: Statista, Internet of Things (IoT) Connected Devices Installed Base Worldwide from 2015 to 2025. For illustrative purposes only.

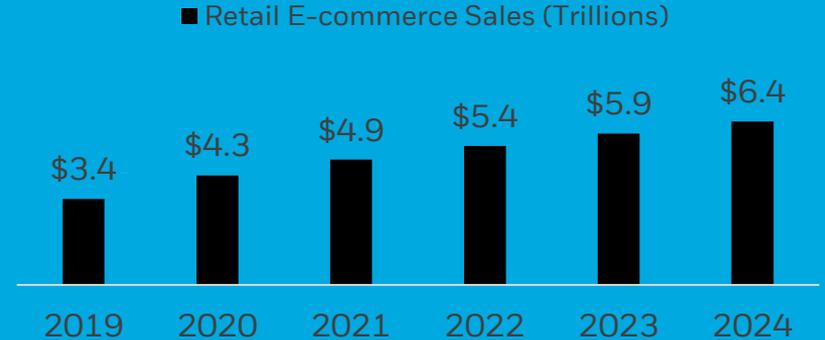
Going Virtual

% of execs to spend more on cybersecurity post-pandemic



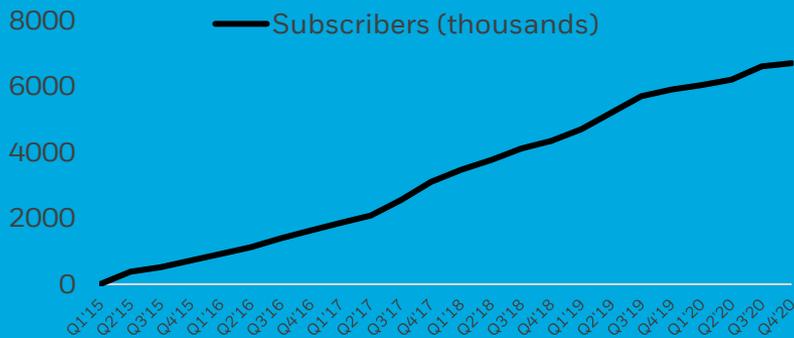
[Security Magazine, May 2020](#)

Forecasted retail e-commerce growth from 2019-2024



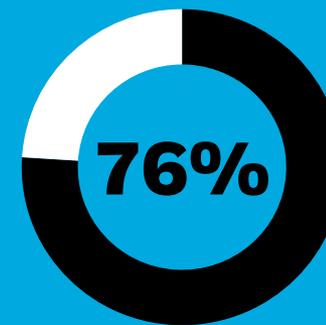
[eMarketer, Dec 2020](#)

Growth of Tinder subscribers by quarter (Q1'15-Q4'20)



[Match Group, Jan 2021](#)

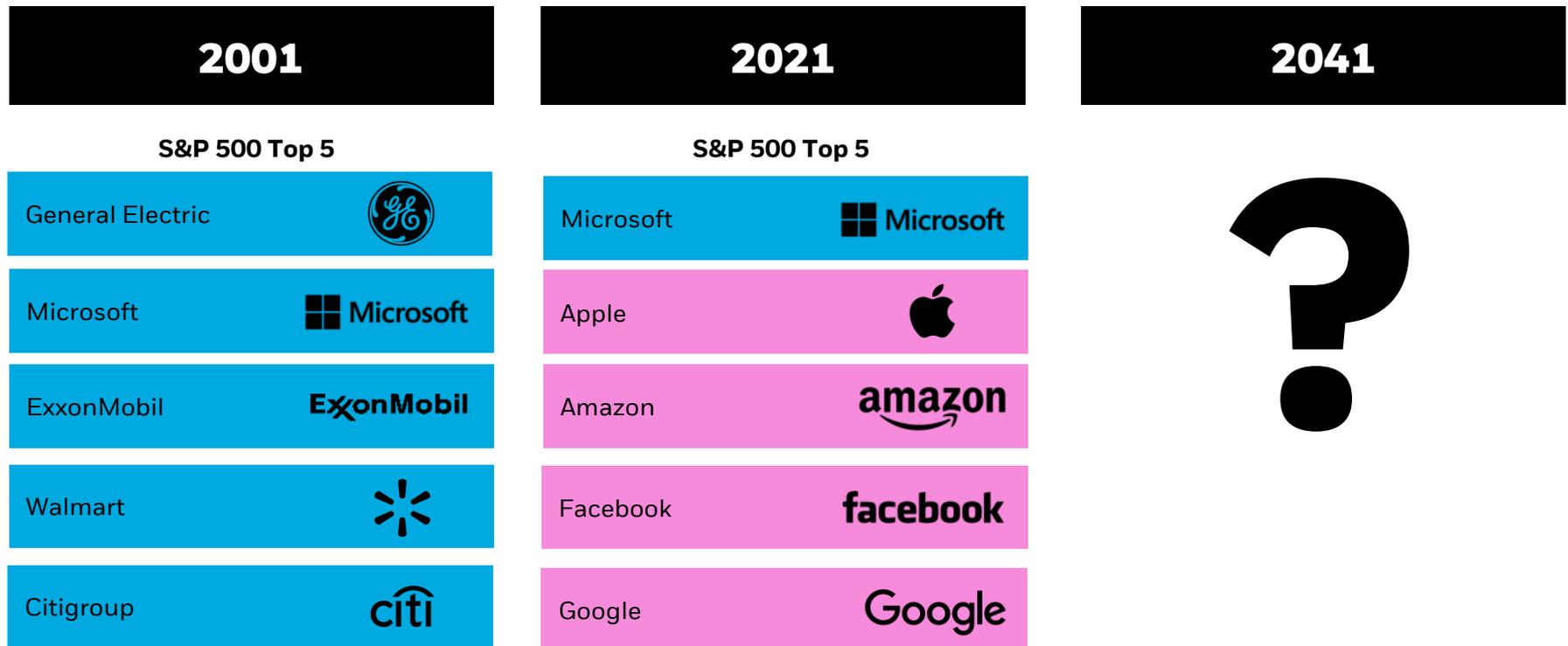
% of people favor telehealth platforms over in-person visits



[McKinsey & Co., May 2020](#)

MegaRule #1: Weight for tomorrow

The top 5 companies in the S&P 500 have changed over time, with only Microsoft retaining its place. What will the next 20 years look like?

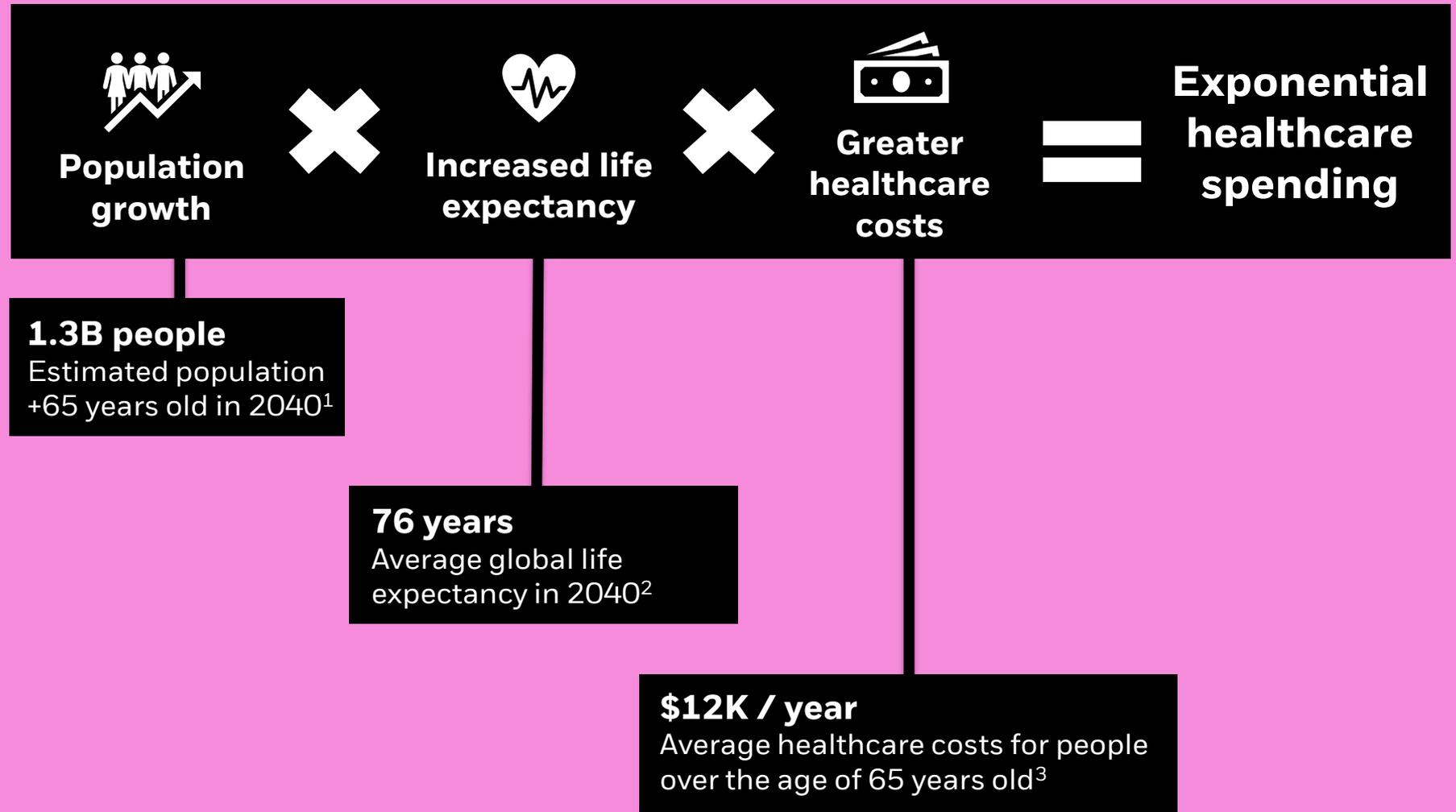


Source: Bloomberg, data as of 01/01/2000 and 01/01/2021. References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.

Demographics & social change



The cost of living longer



¹ 2019 Profile of Older Americans, U.S. Dept. of Health and Human Services. May 2020. ² Statista, Projected global life expectancy 1990-2100, Jun 2019. ³ Agency for Healthcare Research and Quality. Mean expenditure per person by age groups, United States, 1996-2018. Medical Expenditure Panel Survey. Generated interactively: May 18 2021.

Getting healthier

**10k
times**

cheaper to map a human genome today than in 2010¹

1st

First monoclonal antibody treatment approved by FDA²

38x

Telehealth usage is 38x higher than pre-pandemic levels³

1 Zhong Y, Xu F, Wu J, Schubert J, Li MM. Application of Next Generation Sequencing in Laboratory Medicine. *Ann Lab Med*, Jan 2021 **2** FDA, Nov 2020 **3** McKinsey, Jul 2021

References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.

**CRISPR
Therapeutics**

Moderna, Inc.

**Regeneron
Pharmaceuticals**

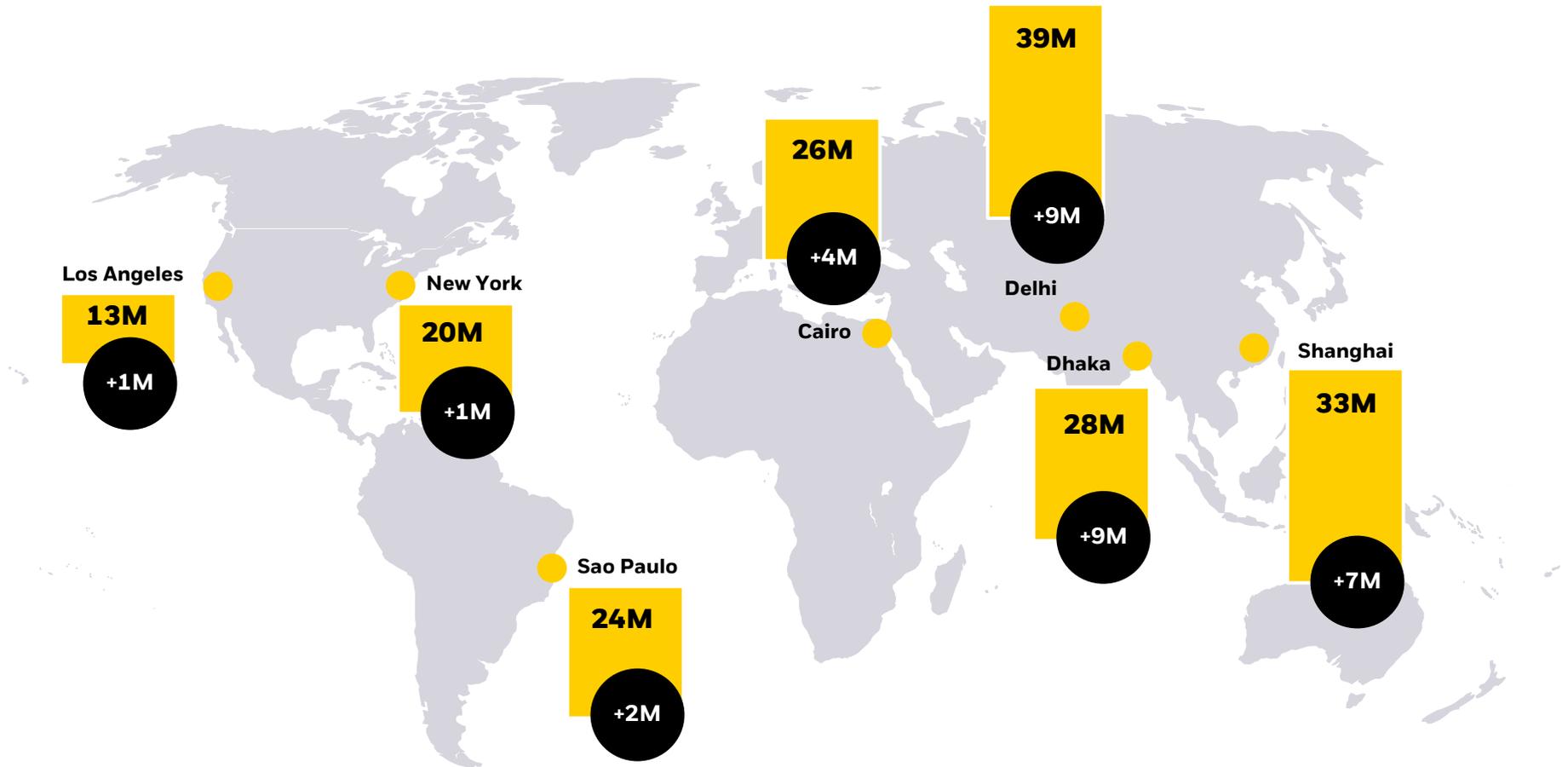
BioNTech SE

**Rapid
urbanization**



The rise of megacities

Population growth fueling \$100 Trillion in infrastructure spending by 2030



Source: United Nations Department of Economic and Social Affairs, The World's Cities in 2018.

Build back better

\$1B

in new capital projects alone can create 13,000 jobs¹

\$2T

of unmet demand for infrastructure spending in US²

162M

Americans still lack access to high-speed broadband internet³

Sources: **1** McKinsey & Co., July 2020 **2** McKinsey & Co., June 2020 **3** Business Insider, Mar 2020

References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.



**Climate change
& resource
scarcity**



Green milestones

137

countries targeting carbon neutrality goal by 2050¹

56M

EVs predicted to be sold around the world by 2040²

60%

By 2030, 60% of China's electricity may come from renewables³

¹ Visual Capitalist, Jun 2021 ² CNN, Sep 2019
³ Nature.com, Oct 2020. References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.



Build back greener

1st

In 2020, renewables generated more U.S. electricity than coal for the first time¹

25%

The EU dedicated 25% of its budget to climate change²

500k

The U.S. plans to build 500k EV charging stations by 2030³

¹ Inside Climate News, Feb 2021

² ClimateChangeNews.org, Nov 2019 ³ Yahoo News, Aug 2021. References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.



MegaRule #2: Connect the value chain



For illustrative purposes only.

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The specific companies identified and described above do not represent all of the companies purchased or sold, and no assumptions should be made that the companies identified and discussed were or will be profitable.

**Emerging
global wealth**



A billion people here, a billion people there...

1.5B

By 2026, China & India may have populations of 1.5B each¹

90%

of new middle class entrants are in Asia²

44

people escape extreme poverty in India every minute³

¹ Visual Capitalist. "The Population Race: A 300-Year Look at China vs. India" Nov 2020 ² Bank of America Merrill Lynch "10 things for the next 10 years, Nov 2019 ³ Washington Post, Jun 2018



Emerging stronger

40% of 2020's new billionaires were from China¹

70% increase in global internet usage due to the pandemic, led by Southeast Asia²

100M South Americans entered the financial system as a result of the pandemic³

¹ South China Morning Post as of February 2020. ² World Economic Forum, "Here are 4 technology trends from emerging economies," Sep 9, 2020. ³ Mastercard, Nov 2020

References to specific companies are strictly for illustrative purposes only and should not be construed as investment advice or recommendations regarding those companies.



MegaRule #3: Think beyond borders

Emerging Market's vast digital potential

Online vs. offline population in China and India compared to the United States in 2021



Online population:

313M 

1.41B 

Offline population:

18M 

1.39B 

Source: [InternetWorldStats.com](https://www.internetworldstats.com), Mar 2021.

Owning the future

Technological breakthrough



Robotics & A.I.
Cybersecurity
FinTech

Demographics & social change



Genomics
Immunotherapy
Ageing

Rapid urbanization



Infrastructure
Megacities
Smart cities

Climate change & resource scarcity



Clean energy
Electric vehicles
Self-driving

Emerging global wealth



China & India
New consumers
Digital economy

MegaRules of the road

- 1** **Weight for tomorrow**
- 2** **Connect the value chain**
- 3** **Think beyond borders**



**Put your money
where your
mind is...**



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