



CIO approach identifies *Space economy*, *Diversity and equality*, *Water scarcity*, *Food revolution*, and *The blue economy* in that order as the most compelling investment opportunities now. (UBS)

Adding "the Blue Economy" to CIO's favorite Longer-Term Investment themes

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The Chief Investment Office (CIO) lists their top five Longer-Term Investment (LTI) theme opportunities. CIO believes they offer compelling entry points for theme-oriented investors.

The themes focus on more predictable global trends such as population growth, aging, and urbanization. These present numerous opportunities and could help companies increase revenue at a higher-than-GDP growth rate.

CIO's assessment identifies the following themes as particularly timely, ordered by which are the most compelling investment opportunities now:

- **Space economy:** The space economy encompasses numerous industries and end markets, with potential applications and opportunities that expand further as time horizon is extended. Satellite and space-based military applications are already prominent in today's world, but lower launch costs have accelerated the pace of commercial payloads, and satellite data could become more valuable when AI is used to synthesize it.
- **Diversity and equality:** The focus on diversity and equality is gaining momentum, driven by societal changes, increasing pressure from regulators and stakeholders, and growing evidence of their benefits to business and the economy.
- **Water scarcity:** A growing population, rising urbanization in emerging markets, the industrialization of economies, and climate change are further straining an already stressed global water system. Additional investment in water

infrastructure across the world is therefore a must. In our theme, we discuss opportunities for investors to benefit from these structural investments.

- **Food revolution:** Our ability to produce and access high-quality, nutrient-dense, affordable food is challenged by climate change, geopolitics, and demographics. A new approach to the food supply chain is needed, and this requires greater investment, a shift in practices throughout the stages of the value chain, and greater innovation.
- **The blue economy:** Our new *The blue economy* theme focuses on investments that aim to build a thriving economic system based on a sustainable relationship with the ocean, a critical global resource that is currently overexploited and underpriced. The Organization for Economic Co-operation and Development (OECD) expects the blue economy to reach USD 3tr in value by 2030, double its size in 2010.

CIO recommends that investors diversify and mitigate drawdown risk by investing in multiple themes. This does not change their conviction of the LTI themes not listed in the full report, which they continue to believe are well-positioned to capitalize on secular trends over a longer time horizon. The monthly report is meant to provide more context around which LTI themes pair well with current House Views and have attractive quantitative factors.

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See the full report - [Our favorite Longer-Term Investment themes, 14 August 2024.](#)

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