

# TAKING STOCK: FROM IDEAS TO INVESTMENTS

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#NEWTON2018



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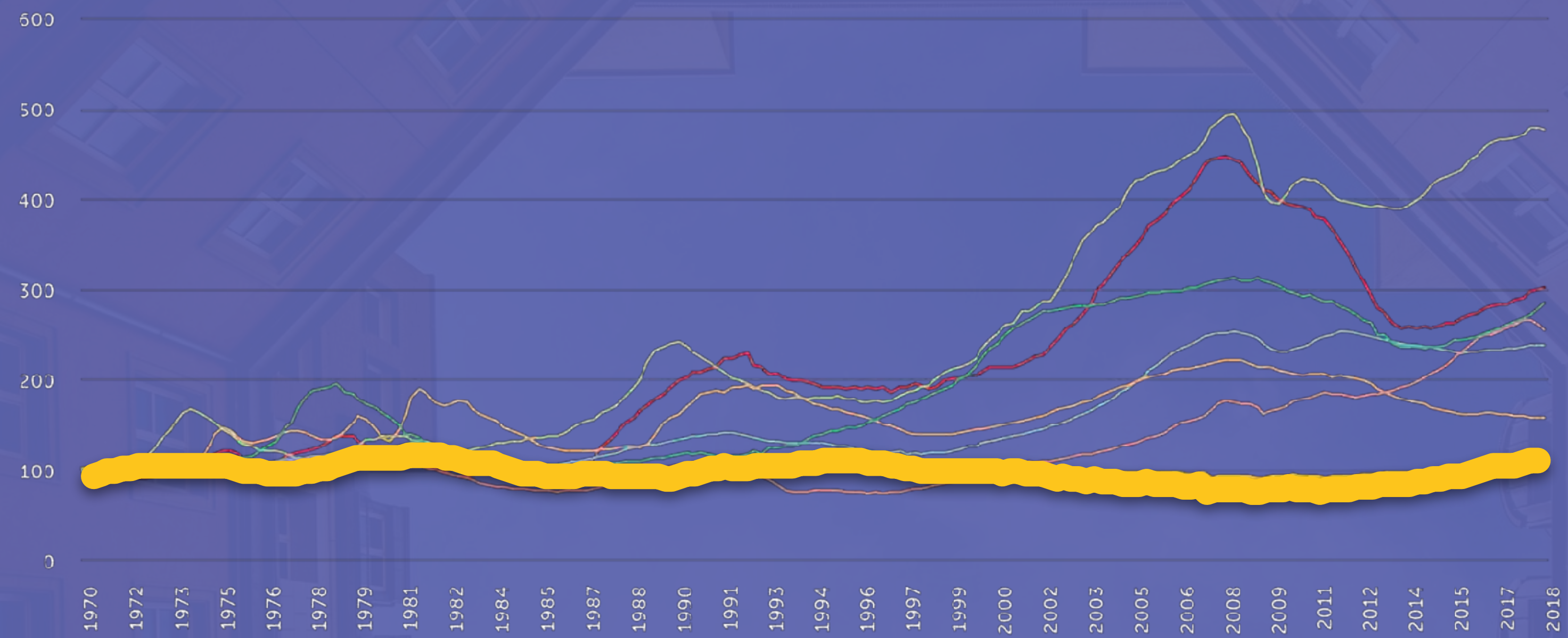
# Restricted rents have significantly slowed house price growth in Germany vs other European countries



## Real house prices

Q1 1970 = 100

- Germany +11%
- Spain +203%
- UK +373%
- France +140%
- Italy +53%
- Sweden +155%
- Netherlands +185%



## Residential property values (GBP/sqm)

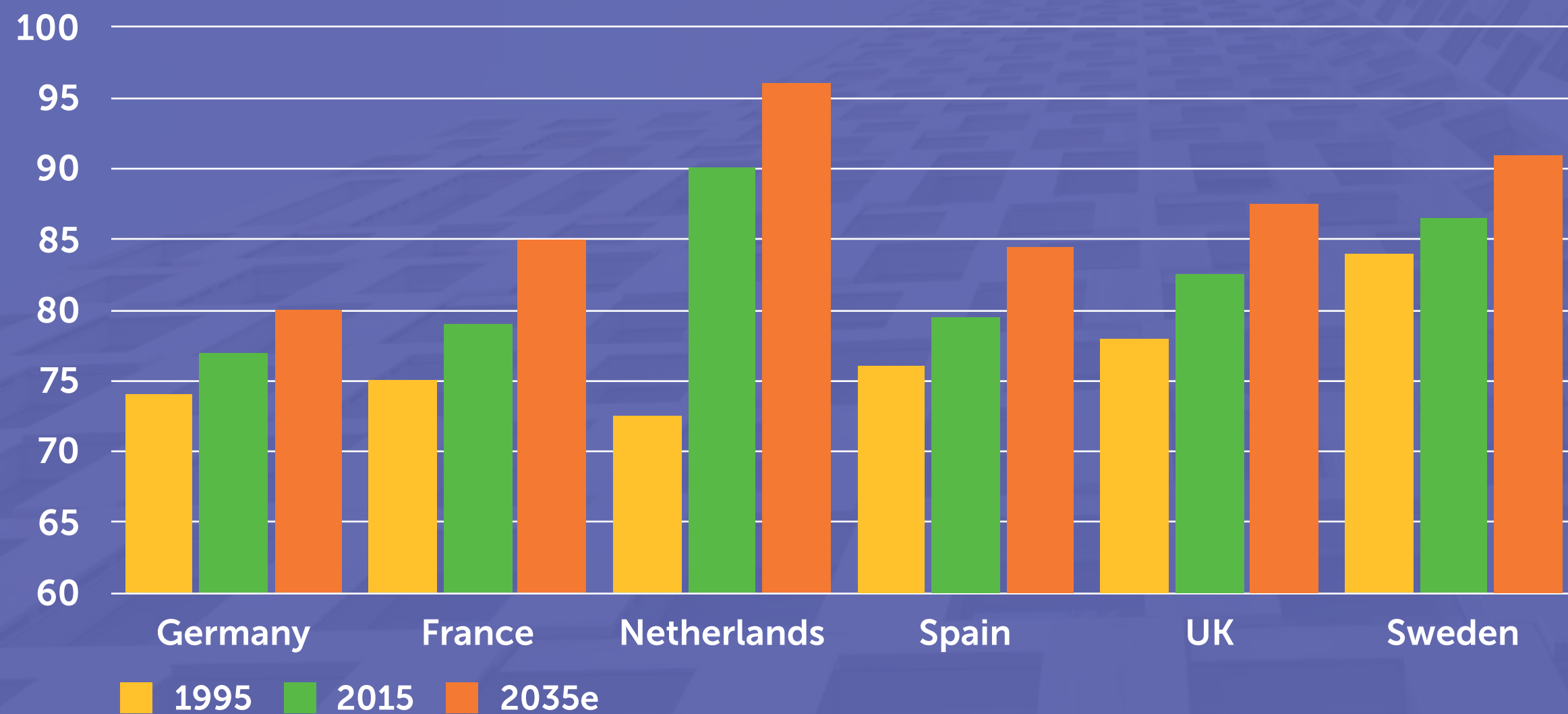
Kensington	19,439
Westminster	16,246
Islington	9,730
Haringey	7,101
Slough	4,618
<b>Berlin</b>	<b>3,710</b>
Chelmsford	3,704
Tonbridge & Malling	3,507
UK average	2,395
Dover	2,310
North Norfolk	2,238
<b>Deutsche Wohnen portfolio</b>	<b>2,225</b>
Stockport	2,158

Source: OECD.Stat, ONS, Deutsche Wohnen H1 18 results presentation  
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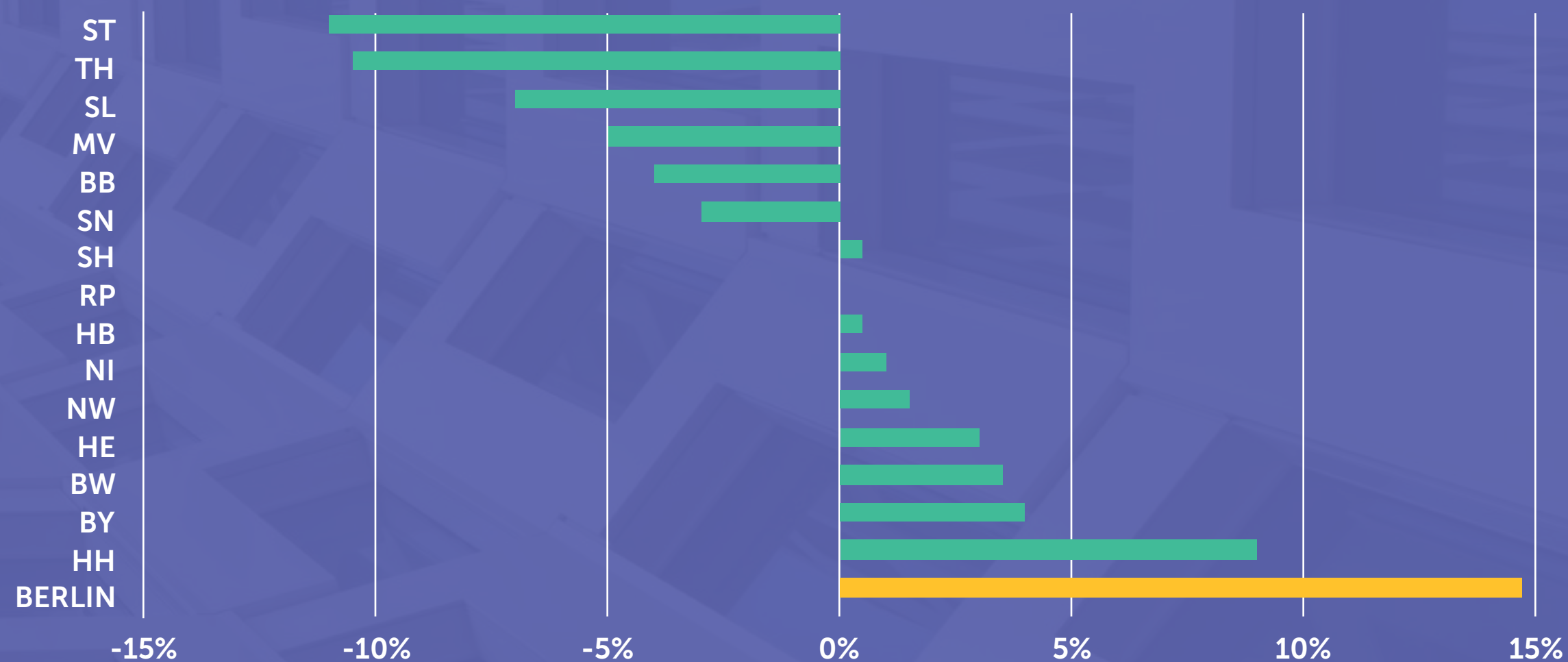
# Strong future population growth in Berlin to sustain housing demand



Percentage of population residing in urban area, UN forecasts



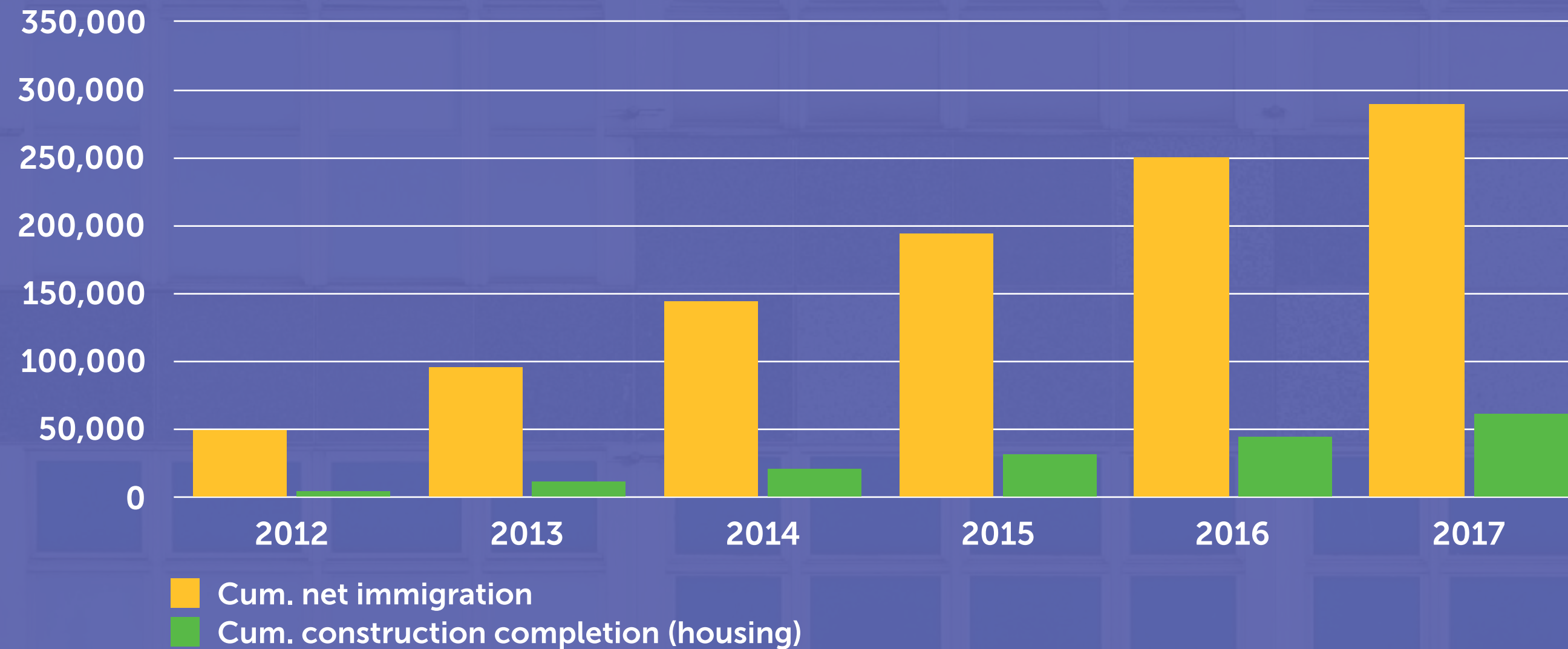
Forecast population changes by federal state, Germany (2015-2035e)



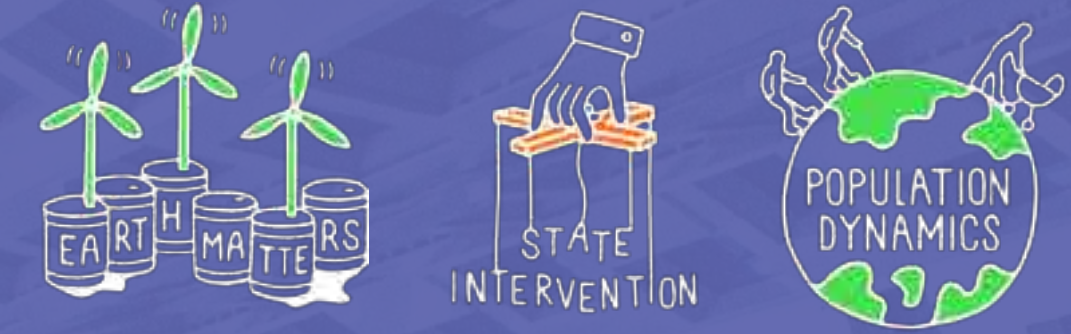
# Insufficient supply response despite increasing demand for housing



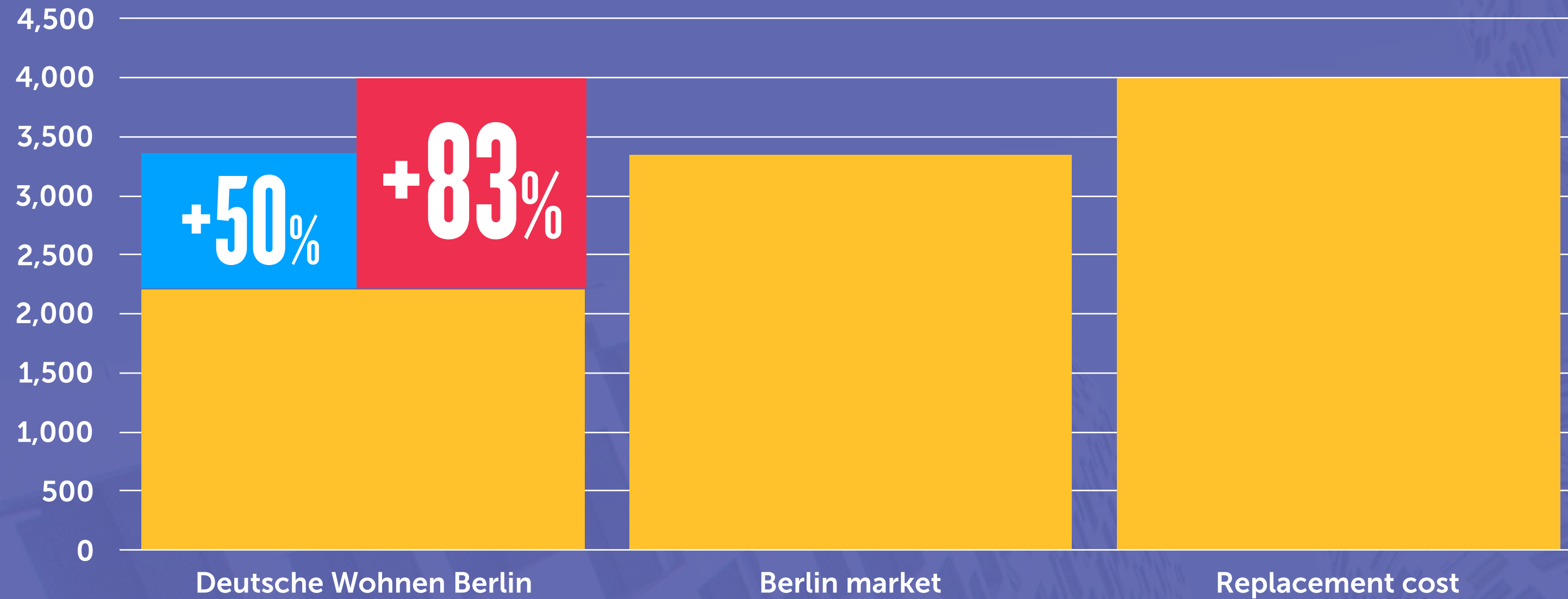
Berlin immigration vs new construction since 2012



- Building permits take several years to grant
- Severe shortage of building capacity
- Elevated cost of construction, strict construction standards (e.g. climate change regulation) mean costs are high
- Restricted rents mean property values below replacement cost, construction in affordable segment is economically unfeasible



## Property valuations, € per sq metre



We can buy a company at book value, when the market value of assets is **+50%** higher, and replacement cost is **+83%** higher



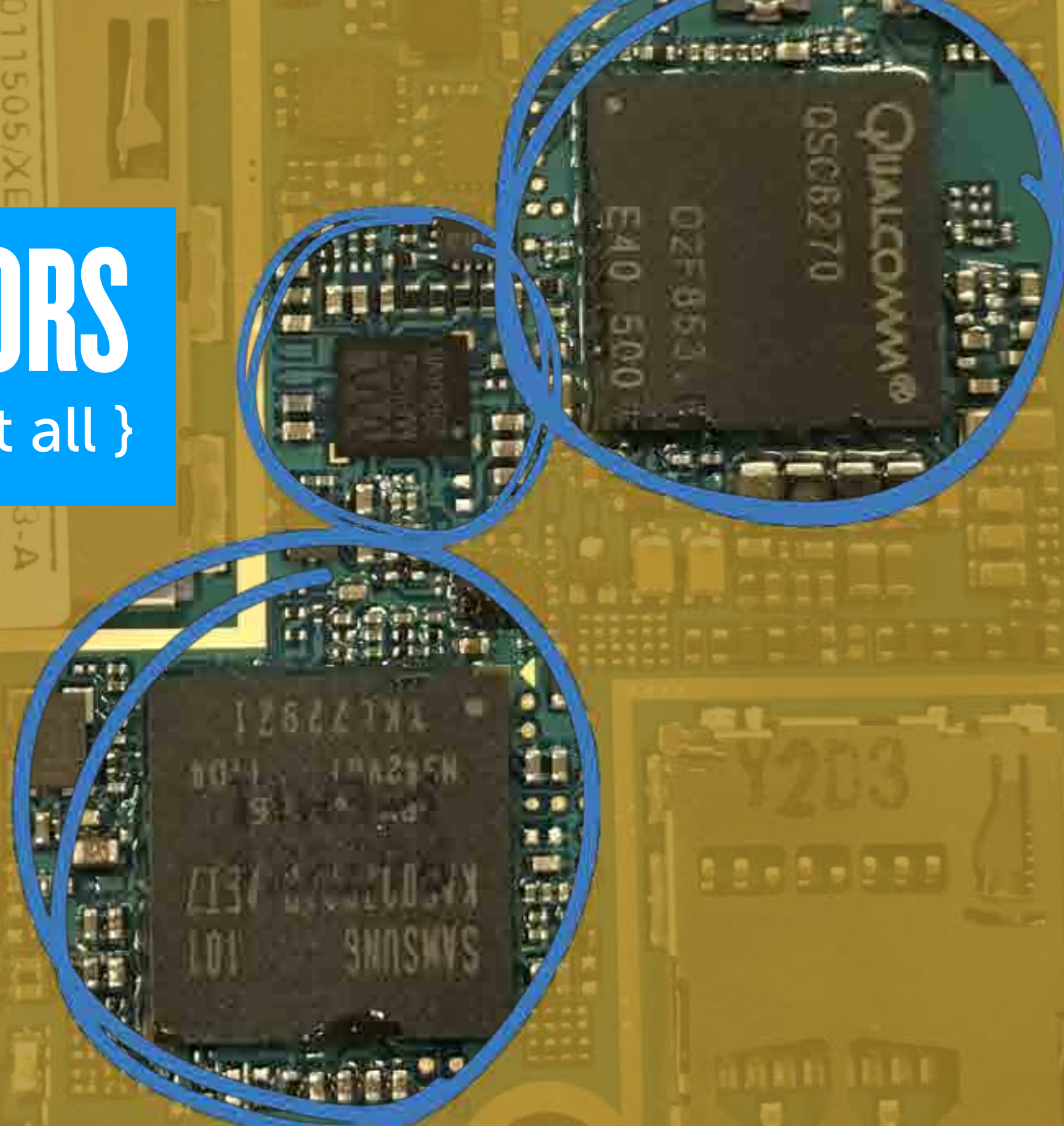
**FATI NARAGHI**  
**GLOBAL TECHNOLOGY ANALYST**

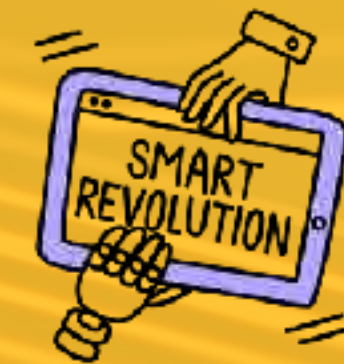




# SEMICONDUCTORS

{ The key enabler of it all }





 **AUTOMATION**



**A.I.**



**SECURITY**

**CYBER SECURITY**

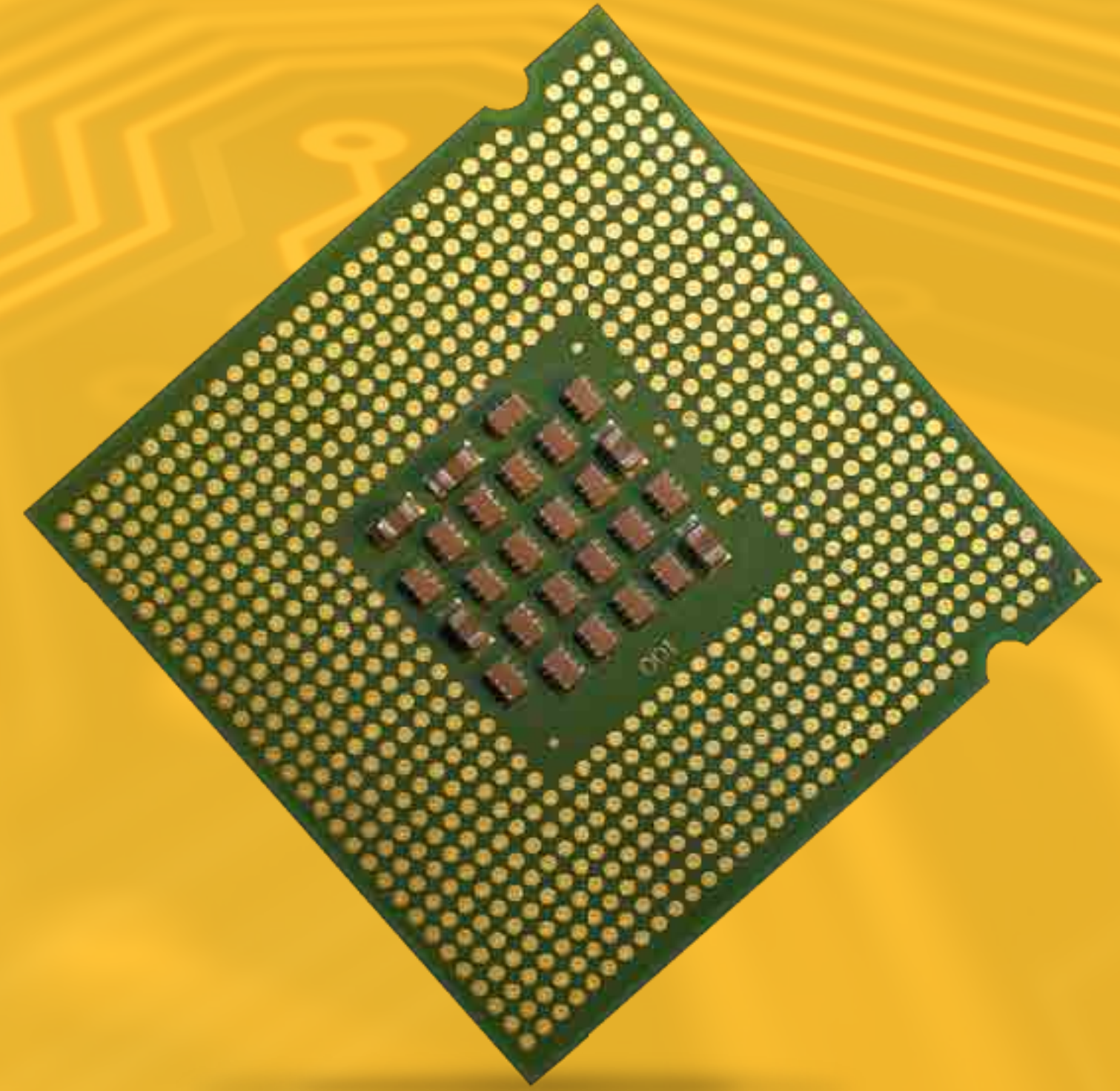


**ROBOTICS**



**EFFICIENT POWER CONSUMPTION**

# ENABLING TECHNOLOGIES SHAPING THE FUTURE





Semiconductor  
manufacturing equipment

**EXTREME R&D**

**EXTREME PRECISION**

**EXTREME RELIABILITY**





# APPLIED MATERIALS®



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OPPORTUNITIES**

**STRONG COMPETITIVE  
POSITION**

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**STRONG BALANCE  
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**ATTRACTIVE  
VALUATION**

The background is a teal gradient with a horizontal line near the bottom. On the right side, there are several bright, circular light flares or reflections.

**STEPHEN BENSON**  
**GLOBAL MATERIALS ANALYST**

# ECOLAB

Market cap: \$46 billion

By 2030, it is estimated that the world will need



**40%**  
more water

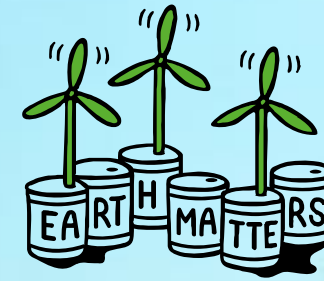


**35%**  
more food



**30%**  
more energy

**Since 1923:  
Onsite chemical  
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services for...**



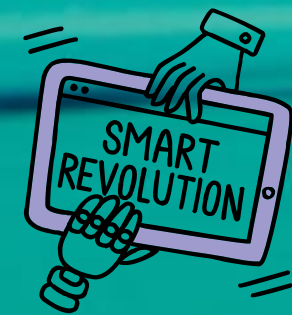
CLEAN WATER



SAFE FOOD



ABUNDANT ENERGY



HEALTHY ENVIRONMENTS

Core capabilities that drive the best results and lowest costs



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**BUT....A GOOD  
THEMATIC FIT  
ALONE IS NOT  
ENOUGH**





**PAUL MARKHAM  
GLOBAL EQUITY PORTFOLIO  
MANAGER**



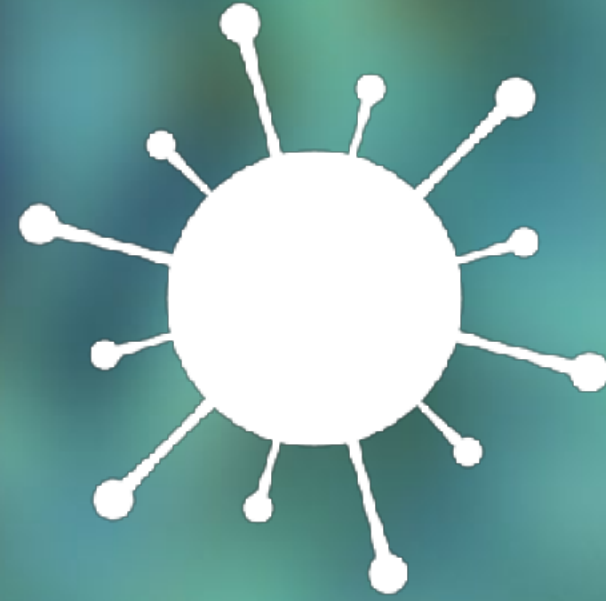
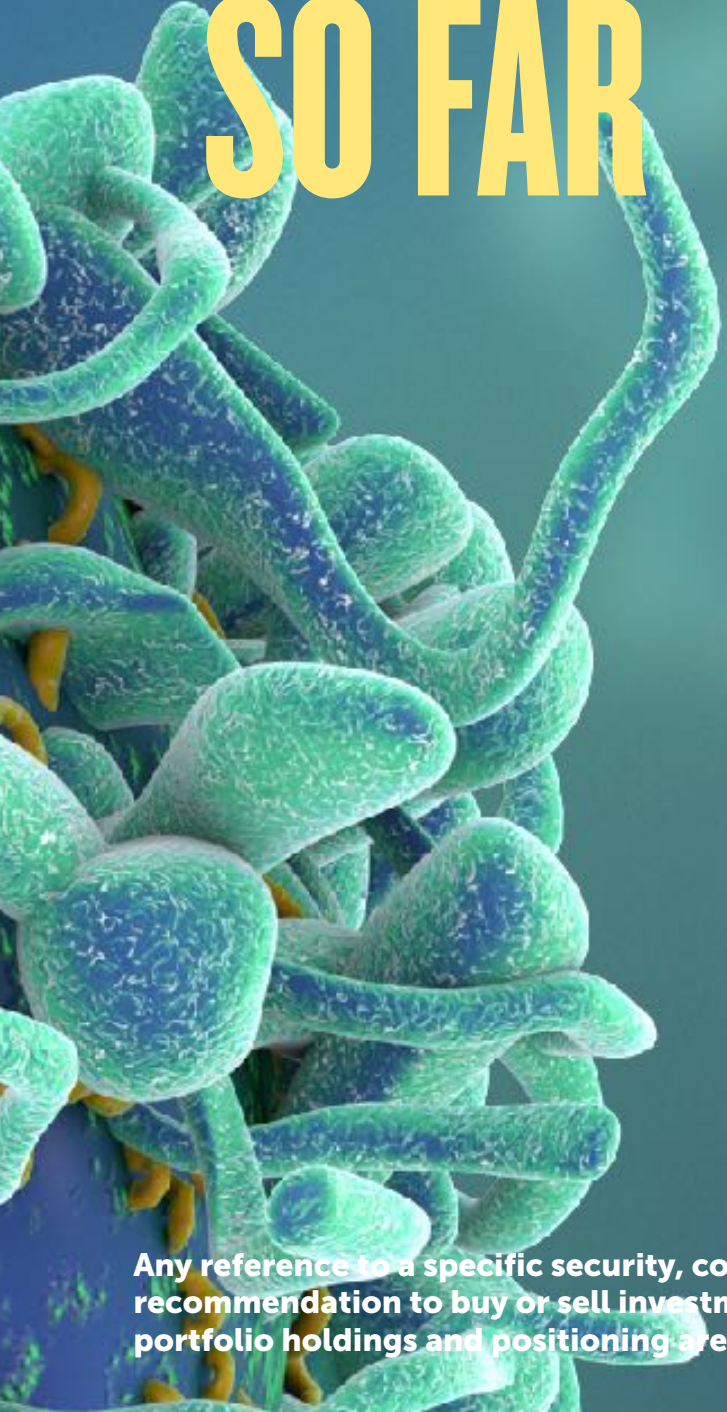
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# HEALTHCARE — THE COST CONUNDRUM



# THE STORY SO FAR



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**GILEAD  
THE FUTURE IS  
BRIGHT**





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