



# THE EVOLUTION OF OUR THEMES

December 2025

# CONTENTS

- 3 Introduction
- 4 Reimagining Research
- 5 Current Thematic Research Framework
- 6 Micro Themes
- 7 Macro Themes
- 8 Themes in Focus

# THE EVOLUTION OF OUR THEMES

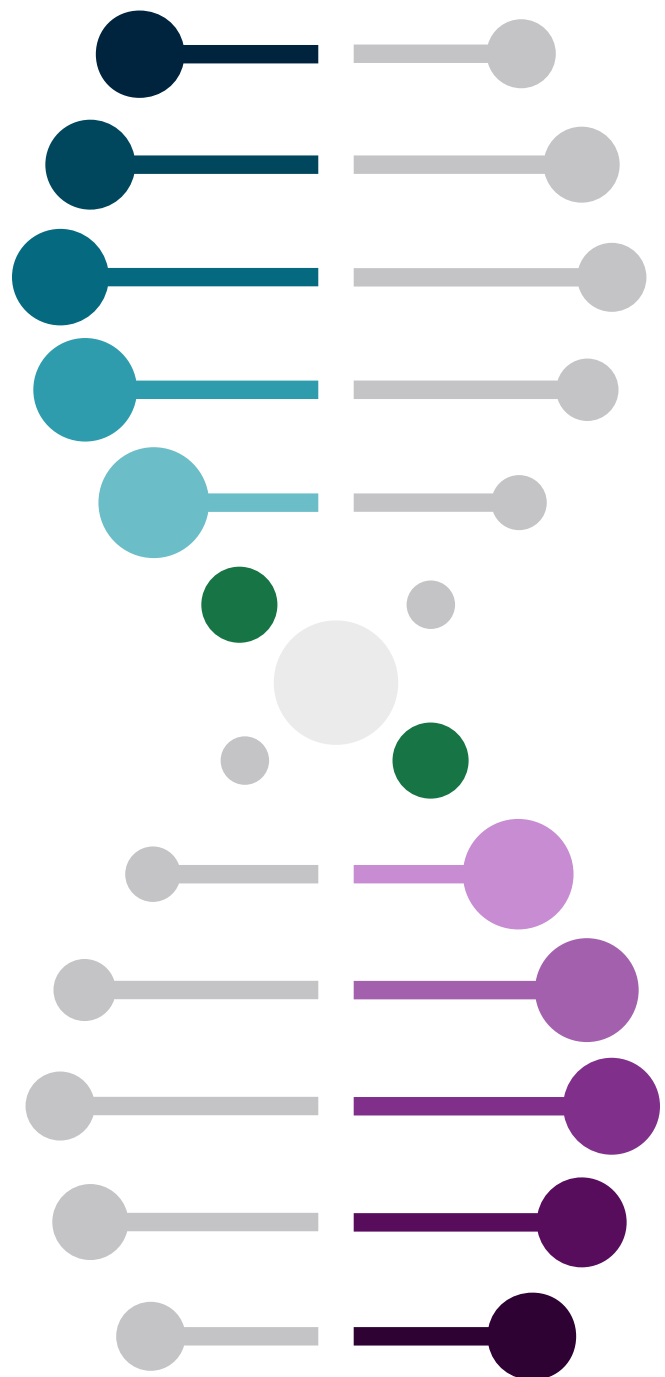
Multidimensional research is the lifeblood of BNY Investments Newton.

It delivers insights in pursuit of better outcomes for our clients, and one of its key inputs is our thematic research framework, which can help to shape our research agenda and support our portfolio construction.

We believe that themes – which represent powerful transformational ‘micro’ and ‘macro’ shifts across economies and industries – are only growing in importance, and that their influence on our investment landscape has never been greater.

Themes can provide our investment team with a long-range lens to clearly view the structural changes that are taking place across the globe, and to look beyond often rigid classifications like sectors or countries of domicile.

They can alert the team to the new opportunities that change creates, and help us to identify the emerging risks that threaten to impair the value of investments.



# REIMAGINING RESEARCH

We believe successful outcomes will increasingly require the analysis of multiple vantage points to be able to understand the investment landscape, and to make sense of the opportunities and risks inherent in individual securities. In this context, at BNY Investments Newton we have reimagined our research capabilities, enabling investment team members to exploit an unusually wide and innovative range of inputs in their idea generation. These resources all feed into the construction and development of our themes.

Importantly, we take an active approach to the allocation of our research resources. While many in the industry rely on the industry classification standards to allocate research resources, we believe that, in today's markets, technology-fueled innovation and disruption mean that there are more effective ways to do so.

We have developed an equity research framework that rewrites classifications into clusters that we call 'pods', which are designed to group companies with similar business-model characteristics, at similar points in their development cycles. This approach dismantles the barriers between analysts, facilitating the sharing of ideas and perspectives, and promoting broader collaboration.

## Theme development

We harness our multidimensional research capabilities to identify and investigate key areas of interest, some of which, through further detailed research, lead to the creation of specific themes.

The process that we follow when identifying and considering themes combines research generated from the bottom up, which arnesses insights from the company-specific research that our fundamental analysts conduct, with top-down analysis that explores far-reaching macroeconomic trends and their implications.

### A range of specialist research insights percolate into our themes, including:

#### Investigative Research

Our team of skilled investigative researchers, led by a former investigative newspaper journalist, can equip our portfolio managers with differentiated views on key issues affecting investments that they consider. From talking to energy ministers to lawyers to peer journalists and academics, our investigative research team is a highly differentiated resource that can help give our investors a clearer indication of industry developments.

#### Geopolitical Research

Our geopolitical research helps our investors understand how politics and changing international relations are influencing financial markets.

#### Responsible Investment Research

Our analysts are supported by a global responsible investment team, comprising subject-matter experts, which provides specialist insights on environmental, social and governance issues.

Finally, we thoughtfully incorporate quantitative analysis which augments the fundamental aspects of how we develop our themes. For example, natural language processing is used to identify companies around the world which resonate most strongly with our observable thematic trends. Our micro and macro thematic groups, which comprise key analysts and portfolio managers from across the firm, meet regularly to determine changes to our thematic research framework. They consider new thematic concepts, proposals for removing or retiring existing themes, and the affirmation of existing themes.

# CURRENT THEMATIC RESEARCH FRAMEWORK

Our themes continue to evolve in line with the significant changes we are seeing across the globe.

Our themes currently comprise:

## Five Micro Theme Groups:

*internet of things, smart everything, tectonic shifts, picture of health and natural capital.*

The underlying themes capture the key technological, social and environmental trends which we believe will present investment opportunities.

## Five Macro Themes

which encapsulate geopolitical and economic shifts.

These are *big government, evolving trade, financialization, great power competition and human capital.*

Within each of these areas, we have defined a number of sub-themes which allow us to better coordinate and focus our research around key developments that we believe will shape markets over the coming years.

## MICRO THEMES

Technological, social, environmental

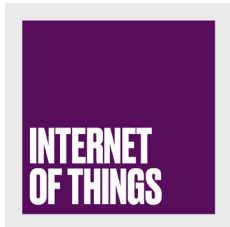
INTERNET OF THINGS	SMART EVERYTHING	TECTONIC SHIFTS	PICTURE OF HEALTH	NATURAL CAPITAL
FINANCIAL INCLUSION	BLOCKCHAIN	EMERGING SPEND	HEALTH EQUITY	DECARBONIZATION
CONNECTED WORLD	MOBILITY INNOVATION	DEGLOBALIZATION	GENETIC TECHNOLOGIES	CLIMATE ADAPTATION
CLOUD	BIG DATA & AI	AGEING POPULATIONS	CONNECTED HEALTH	RESOURCE OPTIMIZATION
DIGITAL TRANSFORMATION				FOOD SYSTEM INNOVATION

## MACRO THEMES

Geopolitical & economic

BIG GOVERNMENT	EVOLVING TRADE	FINANCIALIZATION	GREAT POWER COMPETITION	HUMAN CAPITAL
SOCIAL POLICY	ASIA'S GROWING WEALTH	DEBT BURDEN	TRADE WAR	POPULATION DYNAMICS
ENVIRONMENTAL POLICY	CHINA TRADE INVESTMENT	ASSET INFLATION	TECH WAR	TECHNOLOGY CHANGES
SUPPLY LINE CHANGES	IMBALANCES AND VULNERABILITIES	FINANCE WAR		
		FINANCIAL INCLUSION	RESOURCE COMPETITION	
			SECURITY COMPETITION	

## MICRO THEMES



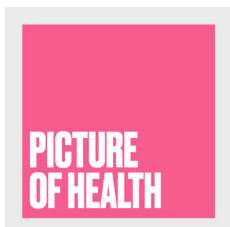
Our *internet of things* group of themes is centered on the concept of digital transformation. Across each area of economic activity, businesses are shifting away from increasingly outdated, analogue methods of work towards new technologies which promise greater efficiencies in the digital age.



Technological developments are the mainstay of the future, with new innovations affecting all industries. A host of new technologies are making networks, systems, processes and products of all kinds increasingly responsive and more intelligent, with 'smart' devices paving the way for enhanced efficiency and greater productivity.



The global consumer landscape entered a new age with the widespread adoption of the internet and the growth in the number of frictionless platforms that enabled consumers everywhere to access a plethora of goods and services. We have observed a shift in the power dynamic, with consumers now armed with a wealth of product, pricing and quality information at the touch of a button. The onus is now on companies to navigate this shifting landscape.



Global health-care systems, solutions and delivery methods are entering a new era, characterized by scientific breakthroughs and widening access across both developed and emerging economies. This group of themes is centered on trends that consider health access and equality within developing countries and the delivery of remote health-care solutions, both of which aim to make health care more accessible and affordable for all. New innovations in genetics and devices and medicines will also serve to improve patient outcomes and provide superior economic value.



The world's natural assets encompass both living species and inanimate resources such as soil, air, water and minerals. Careful management of these resources and solutions to address the stresses we have placed upon them will be necessary for economic, social and planetary durability. Our themes look at opportunities in companies facilitating the path towards decarbonization, as well as those helping society to adapt to the long-term changes, and evolving extreme weather events, that we are beginning to experience. We also consider investment opportunities in seeking to meet the growing demands of expanding populations in a way that minimizes resource use and waste.

# MACRO THEMES

A purple square with the text "BIG GOVERNMENT" in white, bold, uppercase letters.

The decade following the 2008 global financial crisis witnessed unproductive growth, with unprecedented monetary stimulus driving income and wealth disparity to extremes. The Covid-19 pandemic was a watershed moment, both in terms of highlighting the failings of prior economic orthodoxy, but also by feeding electorates' appetite for greater state intervention in the future. Many government scorecards have been placing more emphasis upon social and environmental outcomes rather than purely financial goals, and as such the state has been playing a more direct role in many economies.

However, with electorates recently experiencing the effects of higher inflation, certain economies have seen a backlash against what has been perceived as excessive government intervention. In the US, for example, the current administration has promised deregulation, efficiencies, and cuts in budgets. These developments are likely to be watched closely by politicians and voters across the world. While increased government-directed investment may yield social benefits, it also risks resource misallocation and the crowding out of the private sector.

A teal square with the text "EVOLVING TRADE" in white, bold, uppercase letters.

We are now in an era of 'reglobalization' in which new trade relationships are being established. The Covid pandemic, the war in Ukraine and rising US-China tensions have altered the flow of goods and services. Global trade has not reduced but trading patterns are changing. For example, China's exports to the US have fallen while its trade with other countries in Asia has risen, and the sale of Russian oil and gas to India and China has increased at the same time as flows to Europe have declined.

The significant overseas investment programmes undertaken by China, and growing wealth across Asia, are also altering the movement of materials and capital. This theme assesses these trends and the potential investment implications.

A green square with the text "FINANCIALIZATION" in white, bold, uppercase letters.

Over several decades the scale, complexity and interconnectedness of the global financial system has mushroomed. This was a function of financial-sector deregulation, globalization, and the dominant central-bank belief in not leaning against financial excess. Over this period, the growth of the financial economy has outpaced that of the non-financial economy. Despite the 2008 global financial crisis, the global financial system remains largely unchanged, with elevated leverage at the system level continuing to be a source of systemic risk.

The continued pressure on the pillars of globalization is likely to affect how the global financial system operates and evolves.

A dark teal square with the text "GREAT POWER COMPETITION" in white, bold, uppercase letters.

The liberal democratic and economic order that dominated the last 30 years is now over, as China's rise, Russia's revisionism and America's domestic politics are changing the global balance of power.

The world's most powerful nations are once again in strategic competition over trade, technology, finance, resources and security. Over the next generation, a new macro-political paradigm is likely to have deep implications for global investment markets.

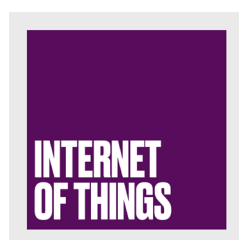
A purple square with the text "HUMAN CAPITAL" in white, bold, uppercase letters.

The labour market has been undergoing a period of significant change in recent years as a result of deglobalization and changing demographics. Furthermore, in some regions the Covid-19 pandemic has had a notable impact on the number of people willing or able to work.

Meanwhile, a new and potentially greater influence on the workforce has arrived – artificial intelligence (AI) – which is likely to have a profound impact on services sectors in particular.

# THEMES IN FOCUS

While each of our themes helps to frame our idea generation and investment decisions, we focus on two particular themes, and how they have evolved, in more detail below.



Our *internet of things* theme group touches on elements of BNY Investments Newton's previous *net effects* theme, which explored the opportunities arising from a more connected, networked world. The global Covid-19 pandemic, with its stay-at-home orders and transition to remote working, has hugely accelerated these trends.

As digital transformation continues to progress, digital connectivity will permeate a greater number of consumer and business activities via connected devices, which we believe will serve to accelerate the 'internet of things' phenomenon.

We also consider the longer-term opportunities around financial inclusion, with services now more accessible than ever to a growing segment of the global population. All this will be made possible by the build out and development of 5G mobile networks and ancillary infrastructure.

## The key areas that we explore are:



Fintech is facilitating broader access to financial services, with new products and services more accessible to society as a whole.



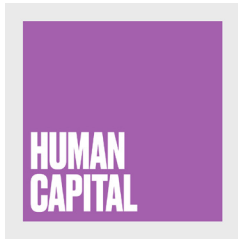
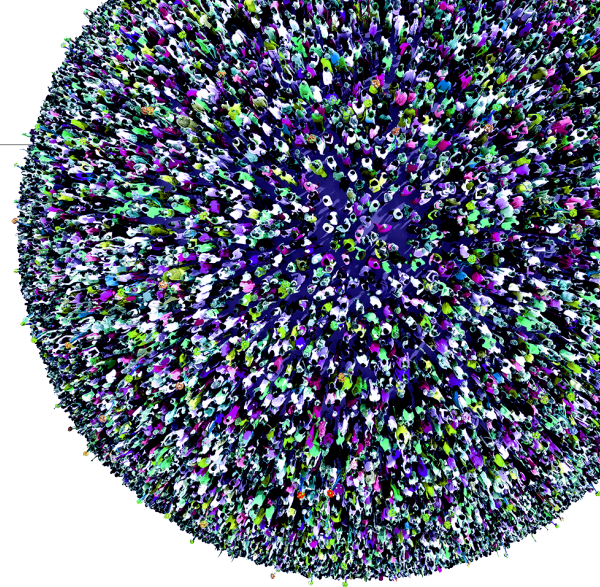
Computer infrastructure and software demand is increasingly being met via the internet, driving a 're-platforming' of global business operations to the cloud.



Digital connectivity will extend further into consumer and business segments through connected devices, homes, cars and workplaces, with the 'internet of things' phenomenon accelerating. Connectivity infrastructure, including fibre and 5G, is facilitating this shift.



Businesses across all sectors are moving away from outdated analogue methods of working towards new technologies which enable them to remain up to speed in the digital age.



Until fairly recently, our macro-focused themes were predominantly influenced by the multi-year trends of deflation, globalization and politics of the centre.

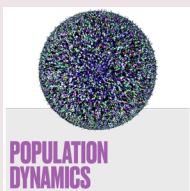
Even before the Covid-19 pandemic struck, however, it was becoming abundantly clear that such trends were starting to unravel. The many years of loose monetary policy ushered in by the global financial crisis had created an environment in which many people felt that they had been left behind, and rising wealth inequality was driving a move to more radical and populist politics.

Moreover, prices of financial assets were being bid up by the abundance of cheap money in markets. Meanwhile, production suffered, wages were depressed, and inflation was absent.

Since the onset of the Covid-19 pandemic it has become apparent that we have entered a different regime, which is creating significant headwinds and consequences for real economies and financial markets. Now we believe that the dominant underlying drivers of macro themes can be described as deglobalization, divergence and disagreement.

*Human capital* explores how changes to the supply, age and cost of labor are likely to heavily affect the assets we invest in. Some of these changes are as result of deglobalization and changing demographics, but advances in technology – in particular artificial intelligence (AI) – will also have a major impact on workforces.

### The key areas that we explore are:



POPULATION  
DYNAMICS

The changing size of working-age populations can have a significant impact on profitability and capital markets.

We have studied these trends for many years, and they help inform our opinion about future economic growth and the flow of capital.

The cost and availability of labor can affect companies' ability to grow.

In the shorter term these demographic trends have been disturbed by changing wealth patterns and the pandemic.

These trends will continue to evolve and influence the price of labor.



TECHNOLOGY  
CHANGES

For some economies, globalization caused a fundamental downward shift in the cost of labor, which fell significantly for companies in comparison to the cost of capital.

This trend has since reversed dramatically owing to influences such as growing competition between the world's great powers and the Covid-19 pandemic.

The natural response from companies has been to focus capital spending on technology, an approach which has been boosted by the additional opportunity to invest in AI systems.

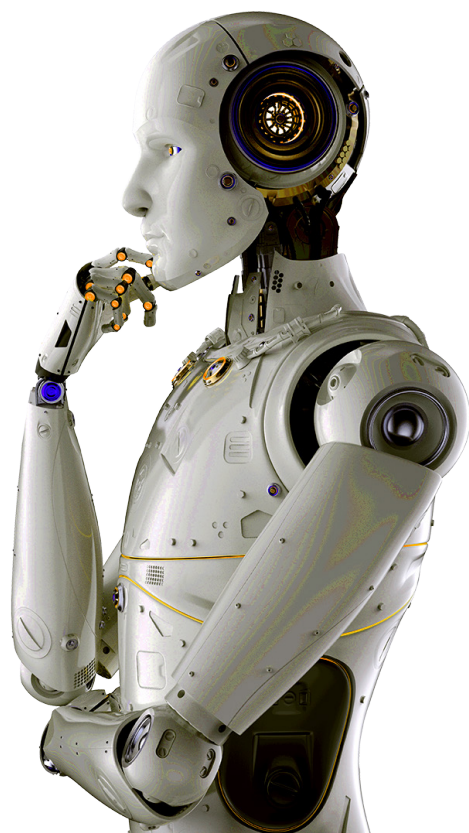
---

# WANT TO FIND OUT MORE?

Please contact our Consultant Relations and Business Development team:

E:institutional.na@bny.com

 BNY Investments Newton  
newtonim.com



---

## Important information

For Institutional Clients Only. Issued by Newton Investment Management North America LLC (“NIMNA” or the “Firm”). NIMNA is a registered investment adviser with the US Securities and Exchange Commission (“SEC”) and subsidiary of The Bank of New York Mellon Corporation (“BNY”). The Firm was established in 2021 and is part of the group of affiliated companies that individually or collectively provide investment advisory services under the brand “Newton” or “Newton Investment Management” or “BNY Investments Newton”. Newton currently includes NIMNA and Newton Investment Management Ltd. (“NIM”). In Canada, NIMNA is availing itself of the International Adviser Exemption (IAE) in the following Provinces: Alberta, British Columbia, Manitoba, and Ontario, including the foreign commodity trading advisor exemption in Ontario. The IAE is in compliance with National Instrument 31-103, Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Material in this publication is for general information only. The opinions expressed in this document are those of Newton and should not be construed as investment advice or recommendations for any purchase or sale of any specific security or commodity. Certain information contained herein is based on outside sources believed to be reliable, but its accuracy is not guaranteed. Any reference to a specific security, country or sector should not be construed as a recommendation to buy or sell investments in those securities, countries or sectors. Please note that portfolio holdings and positioning are subject to change without notice. Analysis of themes may vary depending on the type of security, investment rationale and investment strategy. Newton will make investment decisions that are not based on themes and may conclude that other attributes of an investment outweigh the thematic structure the security has been assigned to. This document is provided for general information only and should not be construed as investment advice or a recommendation. You should consult with your advisor to determine whether any particular investment strategy is appropriate. Statements are current as of the date of the material only. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements.

MAR007553 Exp 12/2026

