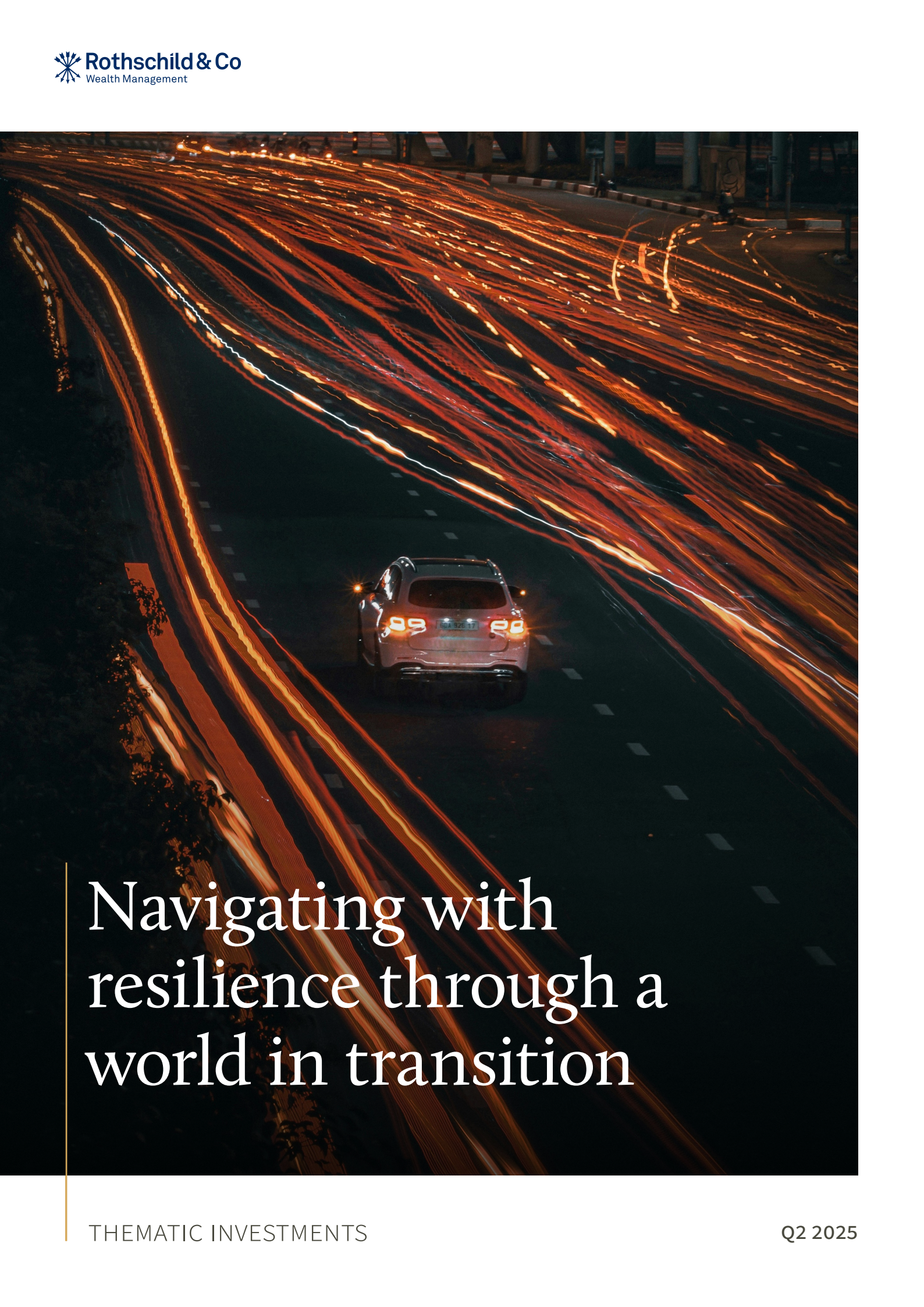




Navigating with resilience through a world in transition

Looking back on our thematic investments



Amaya Gutiérrez, CFA

Head of Investment & Portfolio Advisory



Eunice Harbeke

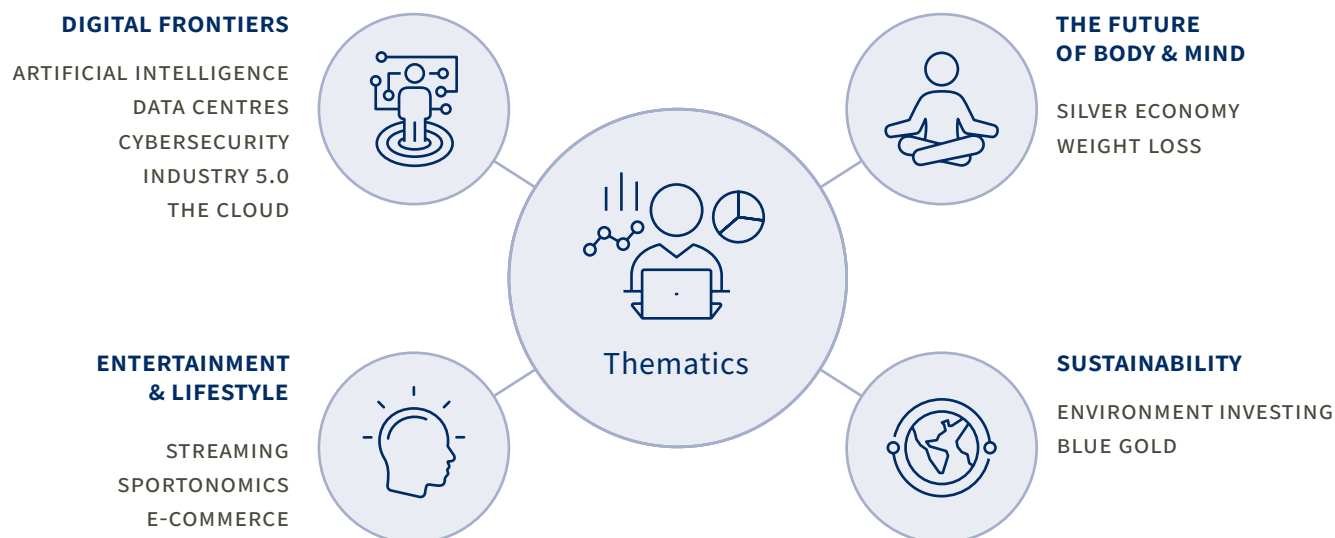
Investment & Portfolio Adviser

This report offers an in-depth analysis of the performance of our Thematic Investments offering, providing our investors with valuable insights into the key drivers shaping each of them. By examining the broader market trends alongside sector-specific developments, it also delivers a forward-looking perspective on potential growth opportunities in the coming quarter.

The second quarter of 2025 was initially marked by uncertainty, heightened volatility, and investor nervousness, factors that weighed heavily on sentiment and returns, particularly in April. The announcement of a delay in tariff implementation, along with the formation of new regional partnerships, provided markets with some relief. This shift in tone sparked a notable rebound in equity markets in May, marked by renewed investor enthusiasm.

By the end of the quarter, equity markets regained momentum, reaching record highs. Despite ongoing concerns over tariffs and geopolitical tensions, investor sentiment remained resilient, driven by confidence in the strength of Western economies and an improving corporate earnings outlook. Companies with substantial exposure to the digital economy, particularly in Big Tech and the semiconductor sector, played a key role in sustaining market optimism, as investors increasingly focused on promising technology growth prospects.

As we move into the next quarter and over the long term, we observe the speed of change of a world in transition towards new equilibrium and we remain confident that our four thematic categories will complement each other while generating new opportunities for investors.



Key trends at the heart of our thematic investments

Over the next decade, our society is likely to witness remarkable moments marked by innovation. Our four thematic investment categories – **Digital Frontier**, **The Future of Body & Mind**, **Entertainment & Lifestyle**, and **Sustainability** - are strategically positioned to capitalise on the transformative power of these innovations in our society, while increasing opportunities for investors.

However, as this evolution unfolds, divergences and challenges may emerge, driven in part by shifts in the geopolitical landscape.



Artificial Intelligence is transforming societies and economies.

The widespread deployment of artificial intelligence across industries marks a pivotal moment in technological evolution. To fully unlock AI's transformative potential, substantial investments are required—particularly in data centres, which form the backbone of AI infrastructure. As AI becomes increasingly embedded in our daily lives, the demand for data processing, algorithmic computation, and real-time analytics will grow exponentially. This surge in computational needs places immense pressure on data centres to deliver higher performance while maintaining energy efficiency and sustainability.

This trend is already materialising through a wave of heavily funded data centre projects, with a strong focus on advanced cooling systems and next-generation infrastructure. These developments represent a significant economic opportunity and are reshaping the industrial landscape. The momentum behind industrials has rarely been stronger, driven by two powerful tailwinds: the need for energy security and the accelerating pace of digitalisation.

Data centres are not just supporting this transformation, they are actively changing the world as we know it. Their role extends beyond commercial applications, with AI now recognised as a critical investment area for national defence and strategic resilience. As AI continues to permeate every aspect of life, we are witnessing one of the most profound technological convergences in history, where computing, energy, infrastructure, and intelligence intersect to define the future.

Managing cybersecurity risks in an AI-driven world

While the rapid advancement of artificial intelligence offers transformative opportunities, it also introduces significant risks—particularly through the misuse of AI technologies. These emerging threats are elevating cybersecurity to a top priority for governments, international organisations and corporations worldwide. As AI becomes more deeply embedded in critical systems, the strategic importance of robust cybersecurity frameworks is only expected to grow.

The integration of AI into daily life, from personal devices to national infrastructure, is reshaping the threat landscape. By 2027, it is projected that approximately 20% of all cyberattacks will involve generative AI. The increasing digitisation of essential services, such as water systems, further amplifies vulnerabilities. This in turn makes them potential targets for sophisticated cyberattacks.

As we navigate this new era, cybersecurity is no longer just a technical concern, it is a foundational pillar of national security, economic stability, and public trust in the digital age.



THE FUTURE OF BODY & MIND

Demographics: The silent force shaping the future

Demographics is one of the most critical yet often overlooked forces shaping modern society. As populations evolve, they open new markets for specialised products and services while raising questions about how prepared societies are for these shifts. Longevity is emerging as a defining feature of our time, shifting the focus from merely extending life to enhancing the quality of those additional years.

What makes demographic change particularly powerful is its predictability, but these changes are not uniform across regions. Shifts in population will have profound implications for GDP growth and productivity. Meanwhile, China is already confronting its demographic challenges head-on. Aware of its shrinking workforce, the country is investing heavily in robotics to replace lost labour. This is a strategy known as the "management of demographics," where capital substitutes for human labour.

In this context, demographics is not just a background trend: it is a central driver of economic, technological, and geopolitical change. From aging populations to shifting labour markets, understanding and managing demographic dynamics will be essential for shaping a resilient and inclusive future.



ENTERTAINMENT & LIFESTYLE

The rise of the AI consumer

As digitalisation and artificial intelligence to advance, they are not only transforming industries—they are also reshaping societal mindsets. Both older and younger generations are increasingly integrating AI into their daily routines, leading to evolving preferences, behaviours, and expectations. This shift is giving rise to a new kind of customer: the AI-driven consumer.

This emerging consumer is characterised by a demand for real-time personalisation, seamless interactions, and enhanced satisfaction. AI enables businesses to deliver tailored recommendations that significantly increase conversion rates, while also fostering deeper customer loyalty through personalised experiences. As a result, brands that embrace AI are better positioned to build stronger, more enduring relationships with their audiences.

Moreover, AI is set to revolutionise how consumers interact with one another. Enhanced by intelligent systems, customers will be able to share and benefit from global opinions, reviews, and recommendations, creating a more connected and informed consumer ecosystem.

Products and services will increasingly be designed around the needs and expectations of the AI consumer. This will drive innovation, elevate engagement, and improve the overall quality of offerings. Businesses that adapt to this shift will not only meet rising expectations but also unlock new opportunities for growth and differentiation.



SUSTAINABILITY

The convergence of demographics, AI and climate change

We are entering an era where three powerful forces—demographics, artificial intelligence, and climate change—are converging to reshape the global landscape.

As AI adoption accelerates, so does the demand for data centres, energy-intensive infrastructures that must now evolve to meet sustainability goals. Balancing energy consumption with efficiency will be key, with ripple effects across all sectors. Future innovations will need to be designed with these interconnected themes in mind, fundamentally altering how we live, work, and consume.

At the same time, longevity is emerging as a major business opportunity within the broader Silver Economy. With an estimated 20% of the global population expected to be 65 or older by 2050, the focus is shifting beyond aesthetics and anti-aging treatments—popularised by public figures—to more substantive areas such as healthcare innovation, personalised care, and tailored services for older adults. This demographic not only represents a growing market but also controls a significant share of global wealth and spending power.

Meanwhile most companies and much of society are acknowledging the threat of climate change. As AI and digital infrastructure expand, water management is poised to become a critical issue, particularly in the context of data centre cooling and sustainable urban development. This creates strong catalysts for investment in infrastructure, technologies, and processes aimed at improving water quality and access worldwide.

Digital frontiers

Artificial Intelligence

Uncertainty and enthusiasm lived together

When the quarter began, the technology sector faced a particularly challenging environment, navigating a mix of trade policy uncertainties and heightened regulatory scrutiny. Tech companies were especially impacted in April during the escalating trade war between China and the US, largely due to their global exposure and a growing concern that various companies could become potential targets for politically driven retaliatory measures, leading to considerable daily price corrections for some names and a loss of over USD 1.8 trillion in market value of the "Magnificent Seven" group of companies during a two-day sell-off in early April. However, sentiment improved by May following the announcement of a major partnership between the U.S. and Middle Eastern nations, aimed at accelerating AI development in the region. This strategic alliance provided a meaningful tailwind for the companies involved, helping to stabilise the sector while lifting market confidence and momentum across the sector until the end of the period.

Among our equity picks, **AMD** stood out for its sensitivity to market developments. Following the announcement of the U.S.–Middle East AI collaboration, combined with strong quarterly results and an optimistic outlook, AMD's stock rebounded sharply after hitting a 52-week low in April.

Microsoft also outperformed in early May, driven by better-than-expected earnings. Meanwhile, **ASML** saw its shares decline by over 5% following its earnings release. Despite this aspect, the company received favourable mentions from analysts in the context of Europe's initiative to strengthen the digital infrastructure across the continent. **Nvidia**, after losing momentum in April, had a strong recovery in May alongside the broader "AI trade." Its late-May earnings report further boosted positive sentiment. Despite market concerns over high capital expenditures by hyperscalers, demand for **Nvidia's** Blackwell chips remained robust. Data centre revenue surged 73% year-over-year, underscoring continued strength in AI-related demand.

Alphabet experienced a volatile quarter. The stock suffered as Apple announced plans to revamp its Safari browser to prioritise AI-powered search engines, raising competitive concerns. Alphabet's stock later recovered, supported by positive analyst commentary and its attractive valuation levels. We highlight Alphabet as our thematic short-term investment opportunity.

Overall, our selection of companies focused on artificial intelligence played a pivotal role in the quarter's market dynamics, influencing both the downturn and the subsequent recovery.

Data centres

Demand not showing any sign of slowing

Data centre infrastructure was not spared from heightened uncertainty and volatility during the quarter. Announcements from Microsoft and Amazon regarding further delays or halts in data centre projects, coupled with concerns over the new U.S. tariff regime, raised questions about the potential impact on construction costs. Despite these developments suggesting a possible slowdown in AI infrastructure investment, robust Q3 earnings reports helped ease fears of weakening demand. Global demand for data centres remains strong and continues to grow.

Within our equity selection focused on data centre infrastructure, European companies with localised business models experienced some insulation from U.S. tariffs—though not enough to escape the broader negative sentiment. Swiss **ABB** and French **Schneider Electric**, which derive approximately 25% of their revenues from the U.S. also source nearly 90% of their components from North America, offering some supply chain resilience. In contrast, **Legrand** is more exposed, with 45% of its U.S. cost of goods sold tied to imports, making it particularly vulnerable to tariff impacts. **Eaton Corporation**, initially affected by the tariff discussion, rebounded strongly in early May after reporting record-high revenues and earnings slightly above analyst expectations. Its stock maintained momentum, supported by robust demand in the electrification and aerospace sectors. **Caterpillar** was also caught in the trade narrative, primarily due to its exposure to China. However, easing tensions in U.S.–China trade discussions helped reduce risk perceptions surrounding its outlook. The highlight among our overall equity selection was **Belimo**, which stood out with a remarkable quarterly outperformance of nearly 50%.

Despite recent tariff-related challenges, our industrial equity picks continue to benefit from the AI-driven surge in demand for data centre infrastructure. Notably among our European selection, Schneider Electric has now overtaken major French oil company TotalEnergies in market value terms, underscoring the accelerating global shift from fossil fuels to electrification.

DEEP DIVE

Data centres

The powerhouse fueling the digital age.



Cybersecurity

Cyber risk cannot be ignored

As artificial intelligence continues to transform the cybercrime landscape, both corporations and governments are becoming increasingly aware of the significant risks posed by AI-driven threats. With the ongoing shift of data to the Cloud, cloud security and data protection are expected to remain top strategic priorities in the years ahead. By 2027, it is estimated that around 20% of all cyberattacks will involve generative AI, an emerging threat that demands serious attention. In response, NATO unveiled a bold proposal at the end of May aimed at redefining defence strategies across its member states, placing cyber defence at the forefront. This move signals a strong, long-term funding tailwind for companies specializing in cybersecurity software and services.

Despite the broad potential for strong returns among cybersecurity providers, **Zscaler** stood out prominently within our selection during the period. The company's stock reached a 52-week high at the end of May, driven largely by positive analyst sentiment around its integration of AI with a "Zero Trust" security model. While **Fortinet** and **Palo Alto Networks** also posted positive single digit returns, their performance did not match Zscaler's momentum. Zscaler ended the quarter as the top performer across our entire thematic single-equity selection.

Looking at a full-year perspective, **Fortinet** emerged as the top performer in our selection, achieving over 70% year-over-year growth—significantly outpacing the broader tech sector, including Nvidia, which returned 19% over the same period.



DEEP DIVE

Cybersecurity



The Cloud

Energised and about to take off

As cloud computing continues to expand rapidly across diverse sectors such as finance, healthcare, and industry, competition among cloud providers remains intense. Each player is striving to lead in this dynamic and evolving market. Looking ahead, the integration of AI is expected to accelerate the evolution of the Cloud even further, unlocking new business opportunities, enhancing operational efficiency, and driving both margin expansion and revenue growth.

Within our stock selection, the latest earnings releases from **Microsoft**, **Amazon**, and **Alphabet** clearly demonstrated that cloud services remain a key driver of revenue growth and investor enthusiasm. **Microsoft's** Intelligent Cloud segment saw a 19% year-over-year increase in revenue, fuelled by a 33% growth in Azure—largely attributed to demand for AI-powered services. **Alphabet's** shares also rose significantly following its earnings release, driven in part by strong performance in its AI-related cloud computing services. This helped ease investor concerns around regulatory pressures and shifting trends in Google's core search business. **Amazon Web Services (AWS)** also posted solid growth, contributing positively to the overall performance of the group. Meanwhile, **SAP** continued to build on the momentum from the first quarter. The company reported a 27% year-over-year increase in cloud revenue, with AI-driven enterprise solutions playing a key role in its margin expansion.

On the other side, the quarter was once again challenging for our software selection. Both **Salesforce** and **Adobe** delivered modest stock performance during the period, as investor concerns around the rollout and monetisation of new AI features weighed on sentiment. Despite this pressure, analysts remain optimistic, viewing AI and digital transformation as significant long-term tailwinds for both companies—particularly **Adobe's** Creative Cloud and **Salesforce's** front-office applications. By the end of May, **Salesforce** surprised the market with two major developments: first, the announcement of its acquisition of cloud software company Informatica, valued at \$8 billion in equity, marking its largest acquisition to date. Second, the company reported stronger-than-expected quarterly results and forward guidance. The acquisition is aimed at strengthening Salesforce's position in the enterprise AI and data integration market. In early June, Adobe reported strong results that exceeded expectations, driven by solid performance in both Document Cloud and Creative Cloud. However, despite consistent delivery, the results have not fully alleviated investor concerns about the potential for emerging AI tools to disrupt established software leaders like Adobe.



DEEP DIVE

The Cloud



Industry 5.0

Just delayed but hard to ignore its potential

Developments in AI continue to fuel optimism about humanoid robots working safely alongside humans, particularly in manufacturing environments. Despite this long-term vision, the robotics sector has recently encountered headwinds. These challenges are largely attributed to the global economic slowdown and heightened geopolitical uncertainty, especially surrounding newly announced trade policies. These factors have led some companies to delay factory upgrades involving advanced robotics, due to concerns over potential cost increases from tariffs. Nevertheless, the long-term outlook for robotics and automation remains strong. These technologies are expected to transform industries and unlock new business opportunities across sectors.

Within our equity selection, several companies with exposure to automation and robotics faced notable challenges during the quarter. Swiss **ABB** and German **Siemens**, in particular, experienced contrasting performance across business segments. While both companies reported strong growth in their data centre-related operations, **ABB** announced the potential separation of its robotics division due to a slowdown in orders. As a result, and going forward, ABB will be removed from our selection under this subcategory. Similarly, **Siemens** saw solid results in its industrial software and electrification businesses, but its automation segment was impacted by broader economic weakness.

GE Aerospace and **Intuitive Surgical** outperformed the rest of the selection. **GE Aerospace** continues to invest heavily in automation and advanced manufacturing to enhance its aerospace production capabilities. The stock price, however, experienced a notable drop in early June, primarily due to external factors tied to its key partner, Boeing. **Intuitive Surgical**, whose core business is robotic-assisted surgery, also delivered strong results. Both companies are expected to maintain momentum despite the broader slowdown.

On the other hand, **Analog Devices**, **Comet**, and **VAT Group** closed the quarter with modest returns. Nevertheless, Analog Devices performed particularly well from April to mid-May, with its stock rising by 40% from lows, following the publication of strong quarterly earnings, highlighting optimism in the industrial automation and automotive markets. However, **Comet** and **VAT Group** faced headwinds due to their high exposure to an uneven semiconductor recovery and slower-than-expected economic growth in China and Europe, resulting in nearly flat stock performance in the quarter.

DEEP DIVE

The dawn of Industry 5.0



Entertainment & lifestyle

Streaming

Committed to impactful content

In the second quarter of 2025, the streaming industry remained highly competitive, with companies continuing to adapt their strategies to attract and retain subscribers. The common denominator among major players was their sustained commitment to delivering diverse and impactful content across their platforms aiming to keep their customer base. However, even streaming companies suffered from the tariff narrative.

Focusing on our selected companies in the streaming space—**Disney**, **Netflix**, and **Comcast**—each faced distinct market dynamics during the quarter. Disney's streaming platforms, **Disney+** and Hulu, experienced subscriber growth, though at a slower pace than **Netflix**, which benefited from sticky subscribers' fees. Despite this slower pace, **Disney** managed to grow its streaming revenue, highlighting its ability to monetise its content effectively. As the closure of the quarter, **Netflix** continues to dominate the streaming market. Going forward, the ability to implement price increases while maintaining and expanding subscriber bases will be a critical differentiator for companies in this space.

Contrary to initial expectations, some macroeconomic headwinds and tariff-related concerns also influenced stock performance. At the start of the quarter, **Netflix** appeared relatively insulated from trade tensions, delivering a strong 30% gain in market value. However, in early May, the company experienced a \$20.4 billion drop in market capitalisation following the U.S. administration's announcement of a potential penalty on films produced outside the United States. Despite this setback, **Netflix**'s stock rebounded and ended the quarter with continued gains.

E-commerce

Shielded from U.S. Tariffs

Our equity selection delivered mixed results over the quarter. South American e-commerce leader **Mercado Libre** stood out with strong double-digit gains, significantly outperforming its peers. **Mercado Libre**'s latest corporate results reaffirm its market leadership in the region and its ability to expand margins. Both revenue and net income grew by approximately 40% year-over-year, with particularly strong sales in key markets like Mexico and Brazil. Mercado Libre concluded the quarter with an impressive total return of over 30%. While we continue to recognise the company's strong potential within the rapidly evolving e-commerce landscape in Latin America, we have decided to close our position at this stage due to valuation considerations.

In contrast, Alibaba and Tencent, despite reporting revenue growth, were negatively impacted by ongoing geopolitical tensions and policy uncertainties—especially regarding the scope of U.S.-China trade tariffs. China's **Alibaba** posted negative double-digit returns during the same period.

Booking Holdings and **Visa** also delivered positive surprises in their company results. **Booking Holdings** reported solid operating profits for the quarter. However, despite its strong market position, demand for accommodations remains vulnerable to potential declines in consumer spending should U.S. trade policies negatively affect broader consumption trends. **Visa** showed optimism and no signs of weaker consumer spending, while being considered by analysts as a market leader still enjoying growth prospects in payments. By the end of the quarter, however, **Visa** shares fell considerably following reports that major retailers like Walmart and Amazon were exploring stablecoin-based payment systems to bypass traditional card networks and reduce transaction fees. Notably, **Visa** is actively positioning itself as a bridge between traditional finance and blockchain, offering stablecoin issuers faster market access, global reach, and regulatory alignment.

Sportonomics

Direct and indirect exposure delivered

During the quarter, the Sportonomics thematic revealed a clear distinction between companies with direct and indirect exposure to the trend. In both cases, however, the impact of volatile macroeconomic and geopolitical conditions on revenues and margins was a central topic in CEO commentaries, largely due to ongoing uncertainties in global supply chains.

Among our directly exposed holdings, **Nike** was particularly affected. In early April, following the announcement of the U.S. administration's new tariff plan, Nike shares dropped nearly 15% intraday, reaching their lowest level since November 2017. Despite an earnings beat, the stock was hit by investor concerns over potential revenue declines and margin pressures, stemming from its reliance on outsourced manufacturing in Vietnam and Indonesia. By the end of the quarter, Nike's shares surged over 10%, as the company reported better-than-expected revenue, a smaller-than-feared decline in sales, and improved inventory management.

All companies with indirect exposure to the theme closed the quarter with strong double-digit gains. Swiss-based **Galderma** appeared immune to broader market volatility, reaffirming a positive outlook for the year. Following its Q1 earnings release, Galderma's stock rose significantly, driven by optimism in the injectable aesthetics segment across U.S. and international markets.

Similarly, **L'Oréal** exceeded consensus expectations by mid-April, and **Booking Holdings** delivered solid Q1 operating profit results. **Heineken** also reported a strong set of results by mid-April, with management expressing optimism about growth trends in Brazil, Africa, and the Asia-Pacific region.



The future of body & mind

Weight loss

Challenges continued

By 2035, it is projected that more than half of the global population will struggle with obesity, driven by factors such as sedentary lifestyles and increased consumption of processed foods. This could also contribute to a decrease in longevity going forward. As a result, weight-loss drugs have emerged as a beacon of hope. However, despite the promising market potential, returns for key players have been underwhelming.

Among our equity selections, **Novo Nordisk** and **Eli Lilly**—both strong performers in 2024—faced notable headwinds from regulatory scrutiny and intensifying competition. **Novo Nordisk** began April as one of the market's biggest decliners. Its downward revision of full-year sales growth guidance, coupled with slower-than-expected GLP-1 adoption in the U.S., weighed heavily on investor sentiment. The situation was further complicated by the resignation of CEO Lars Fruergaard Jørgensen after eight years at the helm, adding a layer of uncertainty. **Eli Lilly**, Novo's main competitor, reported stronger earnings but still faced stock volatility following a downward revision of its full-year outlook. Looking ahead, both companies are expected to advance the development of oral weight-loss treatments, as pill-based options offer a more convenient alternative to injectables and this has the potential to significantly broaden the obesity treatment market. Early clinical results appear promising.

Meanwhile, **Thermo Fisher Scientific** delivered a solid quarterly performance, marked by strong execution and improving profitability. Nevertheless, broader negative market sentiment continued to pressure its stock, limiting the likelihood for a sustained recovery.



Silver Economy

Demographic shifts and opportunities

The Silver Economy theme—focused on companies benefiting from demographic shifts and increased demand from older age groups—was not immune to the broader market correction in April. However, it demonstrated relative stability despite the uncertain market sentiment. Nevertheless, the Silver Economy underperformed in May and did not recover to the same extent as other thematic subcategories, detailed above.

Among our selected companies, performance was mixed over the quarter. Firms with significant exposure to the healthcare sector, such as **UnitedHealth**, **Novo Nordisk**, **Sonova**, and **Straumann**, underperformed compared to those in the aesthetics and lifestyle segments. Companies like **L'Oréal**, **Galderma**, **Intuitive Surgical**, **Ferrari**, and **Booking Holdings** benefited from the broader market rebound.

Please refer to the sub thematic "Sportonomics" for comments about Booking Holdings which emerged as the top performer within the Silver Economy, and Galderma which appeared resilient amid market volatility, driven by optimism around the injectable aesthetics segment, particularly in the U.S. and international markets.

L'Oréal exceeded consensus expectations by mid-April, with growth led by Europe and Emerging Markets, despite challenges in the U.S. **Ferrari** posted strong earnings in early May, surpassing market expectations. Interestingly, despite implementing price increases of up to 10% on some models to offset tariffs introduced by the US administration on foreign-made cars, demand for Ferrari cars in the U.S. remained robust, highlighting the brand's resilience in the luxury automotive market. **Intuitive Surgical** also demonstrated strength during April's market turbulence, reporting growth in both sales and profits. The company now has over 10,000 da Vinci robotic-assisted surgery systems installed globally.

On the other hand, **Straumann** (dental solutions) and **Sonova** (hearing solutions) both reported growth, but their stock performance lagged behind the Swiss Performance Index. **Novo Nordisk**, part of the "Weight-Loss" subcategory, began and ended the quarter among the underperformers. Due to its uncertain outlook, UnitedHealth will no longer be included in our thematic investment universe.



Sustainability

Environment investing

Impacted by political noise

Due to the shift in policy focus by the incoming U.S. administration, environmentally focused companies have generally faced headwinds since the end of 2024. Trade negotiations and the introduction of new tariffs since April 2025 have further raised concerns about increased costs for imported materials used by companies in this sector. However, firms with business segments tied to energy generation for AI-related advancements have benefited from a supportive tailwind.

Within our equity selection, stock performance showed some regional divergence. Despite margin pressures noted in recent company reports, Spain's **Iberdrola** and Germany's **RWE** ended the quarter with high single digit gains. These were largely driven by their involvement in energy supply for AI infrastructure, which helped offset weaknesses in other segments. Swiss-based **Sika** was impacted by the announcement of new U.S. tariffs on imports from Mexico, Canada, and China. Nevertheless, the company managed to post modest quarterly returns, supported by continued demand for infrastructure related to reshoring and data centre development. In the U.S., **NextEra Energy** remains a key player in the country's energy transition. However, following its May earnings release, the company's shares underperformed due to a miss in expectations. Finally, **Shell** disappointed investors and closed the quarter with losses.

By the end of the quarter, renewable energy stocks declined following the introduction of a new US tax bill targeting renewable energy, limiting their ability to receive tax credits. This decision impacted particularly Nextera.

Blue Gold

Water in the digital world

Key trends related to water extend beyond scarcity and optimisation. They also encompass capital investment in climate-resilient infrastructure and solutions, as well as digital transformation—such as smart water networks and the use of AI for predictive maintenance. Companies like **Geberit**, **Veralto**, **Veolia**, and **Ecolab** are well-positioned to benefit from these developments, particularly in areas like water efficiency, water quality, climate-resilient infrastructure, and industrial digital water management.

Since the beginning of the period, **Geberit** has diverged positively from the rest of our equity selection, ending the quarter with a strong double-digit performance that outpaced peers **Veralto**, **Veolia**, and **Ecolab**. **Geberit** benefited from analyst upgrades and increased investor confidence, driven by its solid financial fundamentals and strategic focus on water efficiency, sustainability, and conservation. On the other side, **Veralto**, a pure-play water quality company, and **Ecolab**, a B2B industrial water efficiency specialist, both reported resilient earnings. However, they faced headwinds from tariff impacts and soft industrial demand. **Veolia** underperformed, delivering negative single digit returns.



Alphabet

Opportunistic Thematic: Alphabet

The company

Alphabet, the parent company of Google, is the market leader in online search & advertising with dominant market share across all distribution channels. It generates nearly 90% of its revenue from Google services, primarily through advertising. Additional income comes from subscriptions (like YouTube TV and Music), app and device sales. Google Cloud contributes about 10% of revenue, while Alphabet also invests in emerging technologies such as autonomous vehicles (Waymo), health (Verily), and internet infrastructure (Google Fiber).

Why we like Alphabet

Alphabet remains a dominant force in online search and advertising, with unmatched market share across digital channels. Despite short-term concerns, such as a slowdown in digital ad spending due to tariffs and ongoing antitrust scrutiny, the recent selloff appears excessive, presenting a compelling buying opportunity.

While there are concerns about the potential loss of Google's default search status on Apple devices, the company's strong brand loyalty and user base would likely preserve market share. Any revenue impact could be offset by reduced traffic acquisition costs (TAC).

Alphabet's disciplined cost management and focus on margin expansion offer potential for positive earnings surprises. YouTube's growing relevance in a video-first social media landscape, especially amid regulatory pressure on TikTok, further strengthens its position.

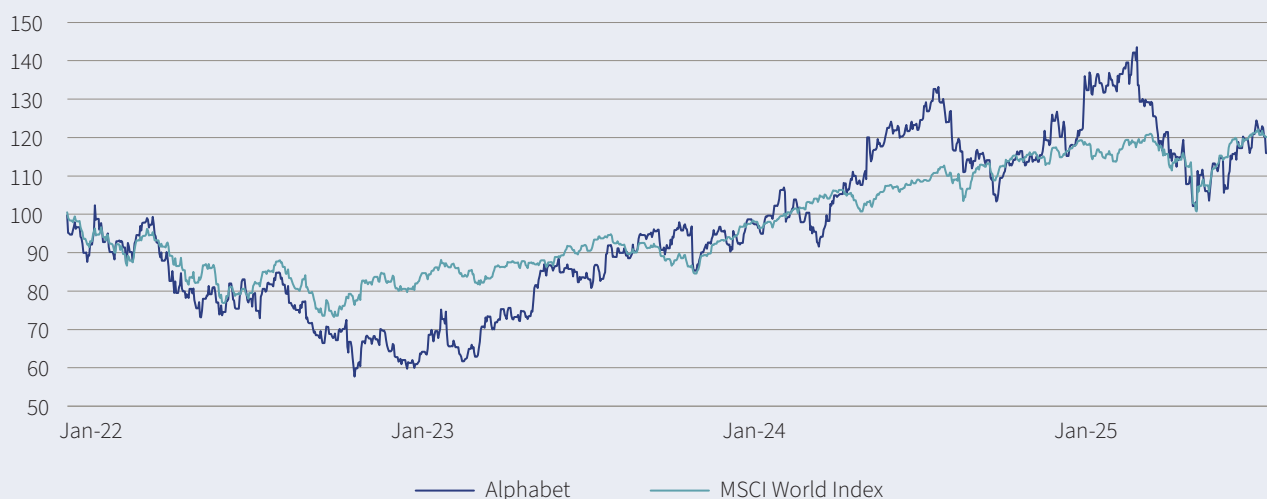
Catalysts

We anticipate a reacceleration in Google Cloud growth in the second half of 2025 as new capacity comes online. Meanwhile, Alphabet's continued success in integrating AI—particularly through innovations like the Search Generative Experience—is driving stronger user engagement and monetisation.

The company's aggressive share buyback program supports EPS growth and enhances shareholder value. Notably, Alphabet trades at a discount to its tech peers, despite superior margins, growth prospects, and a strong balance sheet. Its current P/E ratio of 16.5x is nearly 20% below its historical average, suggesting meaningful upside as investor sentiment improves.

Alphabet's current valuation discount could narrow meaningfully if the company demonstrates that its AI investments are driving profitable growth, successfully reaccelerates Cloud expansion in the second half of 2025, maintains strong cost discipline, and communicates transparently on legal and economic risks.

Alphabet chart



Performance update

Company	Recommendation	Rating	Currency	Price	FV	Upside	Quarter return (%)	YTD (%)
DIGITAL FRONTIERS								
Artificial Intelligence								
Advanced Micro Devices	BUY	★★★★★	USD	141.90	165	16.3%	38.12	17.48
Alphabet	BUY	★★★★	USD	176.23	237	34.5%	14.10	-6.68
ASML	BUY	★★★★	EUR	677.60	859	26.8%	12.16	0.36
Microsoft	BUY	★★★★	USD	497.41	535	7.6%	32.75	18.46
Nvidia	HOLD	★★★	USD	157.99	140	-11.4%	45.78	17.67
Data centre infrastructure								
ABB	HOLD	★★★	CHF	47.31	53	12.0%	4.62	-1.67
Belimo	HOLD	★★★	CHF	808.00	732	-9.4%	49.35	37.05
Caterpillar	HOLD	★★★	USD	388.21	350	-9.8%	18.29	7.93
Eaton Corporation	BUY	★★★★★	USD	356.99	375	5.0%	31.79	8.35
Legrand	HOLD	★★★	EUR	113.50	110	-3.1%	19.12	23.17
Schneider Electric S.E.	HOLD	★★★	EUR	225.80	220	-2.6%	9.04	-4.61
Cybersecurity								
Check Point	HOLD	★★★	USD	221.25	228	3.1%	-2.93	18.51
Fortinet	BUY	★★★★	USD	105.72	108	2.2%	9.83	11.90
Palo Alto Networks	BUY	★★★★	USD	204.64	207	1.2%	19.92	12.46
Zscaler	BUY	★★★★	USD	313.94	351	11.8%	58.22	74.01
The cloud								
Adobe	BUY	★★★★★	USD	386.88	595	53.8%	0.87	-13.00
Alphabet	BUY	★★★★	USD	176.23	237	34.5%	14.10	-6.68
Amazon	BUY	★★★★	USD	219.39	232	5.7%	15.31	0.00
Microsoft	BUY	★★★★	USD	497.41	535	7.6%	32.75	18.46
Salesforce	BUY	★★★★★	USD	272.69	405	48.5%	1.94	-18.17
SAP	BUY	★★★★	EUR	258.15	295	14.3%	6.59	10.24
Industry 5.0								
Analog Devices	BUY	★★★★	USD	238.02	265	11.3%	18.56	13.03
Comet	BUY	★★★★	CHF	249.20	355	42.5%	14.34	1.00
General Electric	BUY	★★★★	USD	257.39	250	-2.9%	28.60	54.61
Intuitive Surgical	BUY	★★★★	USD	543.41	610	12.3%	9.72	4.11
Siemens Aktiengesellschaft	HOLD	★★★	EUR	218.55	210	-3.9%	2.66	18.46
VAT Group	BUY	★★★★	CHF	334.70	402	20.1%	8.54	-0.33
ENTERTAINMENT & LIFESTYLE								
eCommerce								
Alibaba	BUY	★★★★	USD	113.41	158	39.3%	-12.76	36.05
Amazon	BUY	★★★★	USD	219.39	232	5.7%	15.31	0.00
Booking Holdings	HOLD	★★★	USD	5,789.24	5250	-9.3%	25.88	16.96
Tencent	BUY	★★★★	HKD	503.00	650	29.2%	2.10	21.69
Visa	BUY	★★★★	USD	355.05	398	12.1%	1.48	12.72
Streaming								
Alphabet	BUY	★★★★	USD	176.23	237	34.5%	14.10	-6.68
Comcast	BUY	★★★★★	USD	35.69	49	37.3%	-2.41	-3.25
The Walt Disney	HOLD	★★★	USD	124.01	120	-3.2%	26.17	11.84
Netflix	HOLD	★★★	USD	1,339.13	1000	-25.3%	43.60	50.24
BODY, MIND AND THE FUTURE								
Weight loss								
Eli Lilly and Company	BUY	★★★★	USD	779.53	973	24.8%	-5.43	1.36
Novo Nordisk	BUY	★★★★	DKK	439.60	565	28.5%	-6.43	-28.40
Thermo Fisher	BUY	★★★★	USD	405.46	705	73.9%	-18.43	-21.91

Company	Recommendation	Rating	Currency	Price	FV	Upside	Quarter return (%)	YTD (%)
Silver Economy								
Booking Holdings	HOLD	★★★	USD	5,789.24	5250	-9.3%	25.88	16.96
Ferrari	HOLD	★★★	EUR	416.10	460	10.6%	6.91	1.67
Galderma	BUY	★★★★	CHF	115.00	120	4.3%	23.10	57.25
Intuitive Surgical	BUY	★★★★	USD	543.41	610	12.3%	9.72	4.11
L'Oreal	BUY	★★★★	EUR	363.10	426	17.3%	7.81	8.12
Novo Nordisk	BUY	★★★★	DKK	439.60	565	28.5%	-6.43	-28.40
Sonova Holding	HOLD	★★★	CHF	236.40	305	29.0%	-6.22	-18.82
Straumann Holding	HOLD	★★★	CHF	103.55	115	11.1%	-1.31	-8.48
Sportnomics								
Booking Holdings	HOLD	★★★	USD	5,789.24	5250	-9.3%	25.88	16.96
Galderma	BUY	★★★★	CHF	115.00	120	4.3%	23.10	57.25
Heineken N.V.	BUY	★★★★	EUR	74.02	90	21.6%	-0.32	9.37
Nike	HOLD	★★★	USD	71.04	75	5.6%	12.64	-5.03
L'Oreal	BUY	★★★★	EUR	363.10	426	17.3%	7.81	8.12
SUSTAINABILITY								
Blue Gold								
Ecolab	HOLD	★★★	USD	269.44	259	-3.9%	6.54	15.57
Geberit	HOLD	★★★	CHF	624.00	595	-4.6%	16.14	24.13
Veolia Environnement	BUY	★★★★	EUR	30.25	37	22.3%	-0.33	16.73
Veralto	BUY	★★★★	USD	100.95	111	10.0%	3.70	-0.66
Environment investing								
Iberdrola S.A.	BUY	★★★★	EUR	16.29	19	16.6%	9.07	24.67
NextEra Energy	BUY	★★★★	USD	69.42	80	15.2%	-1.28	-1.60
RWE Aktiengesellschaft	BUY	★★★★	EUR	35.50	36	1.4%	11.39	27.20
Sika	HOLD	★★★	CHF	215.40	260	20.7%	1.03	1.44
Shell	HOLD	★★★	EUR	29.99	32	6.7%	-10.66	1.74

FUNDS

Security	ISIN	Currency	Price	Quarter return (%)	YTD (%)	1Y return (%)	5Y return (%)
DIGITAL FRONTIERS							
Artificial Intelligence							
WisdomTree Artificial Intelligence	IE00BDVPNG13	USD	72.77	27.62	3.79	15.45	13.78
Xtrackers Artificial Intelligence	IE00BGV5VN51	EUR	136.94	13.42	1.45	11.33	20.56
VanEck Semiconductors	IE00BMC38736	USD	47.07	31.98	12.73	3.82	
Cybersecurity							
L&G Cyber Security	IE00BYPLS672	USD	32.53	21.36	13.09	36.26	11.44
The Cloud							
WisdomTree Cloud Computing	IE00BJGWQN72	USD	35.43	11.92	-5.11	14.47	-1.91
First Trust Cloud Computing	IE00BFD2H405	USD	51.29	20.97	1.03	27.14	10.39
Industry 5.0							
iShares Automation & Robotics	IE00BYZK4552	USD	15.07	18.48	8.58	14.91	11.69
BODY, MIND AND THE FUTURE & SUSTAINABILITY							
Silver economy							
iShares Ageing Population	IE00BYZK4669	USD	8.42	7.64	11.56	17.47	8.57
R-co Thematic Silver Plus	FR0010906305	EUR	183,319.70	-0.18	2.38	1.17	4.45
Blue Gold							
iShares Global Water	IE00B1TXK627	USD	73.42	12.03	15.35	15.21	12.05
Robeco Sustainable Water	LU2146191643	USD	183.65	10.15	7.17	10.52	11.22
Environment investing							
R-co Changemaker	LU2538715637	EUR	142.62	5.48	1.91	0.39	

CONTRIBUTORS

Amaya Gutiérrez	Head of Investment & Portfolio Advisory
Eunice Harbeke	Investment & Portfolio Adviser
Marco Cavadini	Equity Analyst

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