



4Q17 - Equity Quarterly Thema

Key market themes

This document is a marketing communication provided for information purposes and does not constitute investment advice or recommendation. Potential investors should consult their financial adviser to assess suitability before investing.

Data as of 13 October 2017.

KEY TAKEAWAYS

The last few quarters have seen the global economy experience a **solid pick-up in the output**, but with little sign of any inflationary pressure. The same combination holds true currently, albeit with some regional variations. **This environment remains supportive for risk assets**, although potential return is constrained by demanding valuations.

In this context, we **continue to concentrate on those markets that rank best in our VaMoS framework**. Equities should be preferred to fixed income, and the Eurozone and Japan should be preferred within equities. The upside and downside risks we highlighted above have the potential to impact markets in the short term. But, we do not believe that they will alter the fundamental underpinnings, which remain supportive for equities.

#1 TACTICAL THEME

- Benefitting from stronger capital spending **NEW**
- Playing the European recovery in Consumer Discretionary and Banks

#2 DISRUPTIVE TECHNOLOGIES

- Security First: Preventing digital security breaches
- Robotics: The fourth industrial revolution
- Internet of Things (IoT): How does it change the way we live?

#3 SCARCE RESOURCES

- Blue Gold: The challenges of water-supply
- Climate Change: The global shift towards energy efficiency
- Sustainable Food: The future of agricultural productivity

#4 A NEW WORLD ORDER

- Ageing Population: How ageing will shape future spending?
- Infrastructure: Building the future
- Emerging Challengers: Time to conquer the world
- Millennials: Generation Y to boost world consumption

CONTENTS

Key Takeaways	p.2
Introduction – Global Equity Markets Outlook	p.5
#1 TACTICAL THEME	p.8
❖ Benefiting from stronger capital spending NEW	p.8
❖ Playing the European recovery in Consumer Discretionary and Banks	p.13
#2 DISRUPTIVE TECHNOLOGIES	p.19
❖ <i>Security First</i> : Preventing digital security breaches	p.19
❖ <i>Robotics</i> : The fourth industrial revolution	p.22
❖ <i>Internet of Things</i> : How does it change the way we live?	p.24
#3 SCARCE RESOURCES	p.28
❖ <i>Blue Gold</i> : The challenges of water-supply	p.28
❖ <i>Climate Change</i> : The global shift towards energy efficiency	p.30
❖ <i>Sustainable Food</i> : The future of agricultural productivity	p.32
#4 A NEW WORLD ORDER	p.37
❖ <i>Demographics</i> : How ageing population will shape future spending?	p.37
❖ <i>Infrastructure</i> : Building the future	p.40
❖ <i>Emerging Challengers</i> : Time to conquer the world	p.44
❖ <i>Millennials</i> : <i>Generation Y will become the main driver of consumption</i>	p.46
Performances & Basket Changes	p.55

Disclaimers & Disclosures

Introduction

Global Equity Markets Outlook

MARKET UPDATE

Macroeconomic View

The last few quarters have seen the global economy experience a [solid pick-up in the output](#), but with little sign of any inflationary pressure. The same combination holds true currently, albeit with some regional variations. [This environment remains supportive for risk assets](#), although potential return is constrained by demanding valuations.

In this context, we [continue to concentrate on those markets that rank best in our VaMoS framework](#). Equities should be preferred to fixed income, and the Eurozone and Japan should be preferred within equities. The upside and downside risks we highlighted above have the potential to impact markets in the short term. But, we do not believe that they will alter the fundamental underpinnings, which remain supportive for equities.

Positioning

- **Equities:** We remain constructive on global equities as they will be supported by widespread economic expansion.
- **Government bonds:** We remain defensive with a preference for short maturities. Nonetheless, sovereign bonds remain crucial diversifiers of risks elsewhere in portfolios.
- **Corporate bonds:** Credit instruments should continue to outperform sovereigns, despite the narrow spreads, until the cycle turns.
- **FX:** Expect more dollar weakness in the medium term, after more favourable near-term momentum.

Risks

- **Upside risks**
 - Stronger capital expenditure will help in extending the business cycle.
 - Government go ahead with economic and political reforms.
- **Downside risks**
 - Misperception or mismanagement of economic policies.
 - Geopolitical chaos with adverse economic consequences.
 - Excess leverage in many places remains a major concern.

MARKET UPDATE

Focus on Equities

DEVELOPED MARKETS

Eurozone and Japan are our preference, we are more cautious on the UK

- Eurozone and Japan are best positioned to benefit from the economic recovery.
- US equities have little to offer – their valuations are already too stretched.
- Brexit talks leave us increasingly cautious on the UK equities.
- Stay neutral on Swiss equities, as they are less beneficial than others from the global recovery.

EMERGING MARKETS

Selectivity is key

- Emerging markets should benefit from the upswing in the global trade and economic growth.
- We maintain a preference for markets undertaking structural reforms (India) or corporate governance reforms (South Korea) and those geared to the upswing in the technological cycle (South Korea & Taiwan).
- The positive impact from the previous year's surge in commodity prices for resource producers will evade, penalising markets that are highly exposed to Energy and Materials (Brazil and Russia).

THEMA

Key market themes

THEMA #1 TACTICAL THEME

Benefitting from stronger capital spending (1/5)

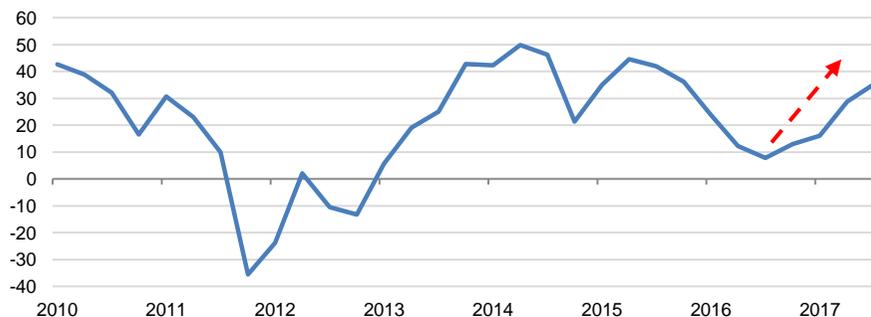
Since the global financial crisis, business investment has remained depressed because of political uncertainty, frequent economic shocks and weak demand.

However, some of the dark clouds have disappeared and after four years of decline, capital expenditure (capex) is picking up. Indeed, since mid-2016, business confidence suggests that industrial production is expanding fast. Furthermore, corporate revenues and profit margins have also recovered significantly since then. Although geopolitical risks and political and regulatory uncertainties remain high, stronger business sentiments and higher profits will give another boost to business investment in the coming quarters. Moreover, financing conditions should remain simple as the main central banks keep an accommodative stance.

The latest quarterly Ifo World Economic Survey indicated that companies intend to increase capital spending in the next six months, especially in the Eurozone and Japan. Predictably, in the UK and China, forecasts have been revised down as companies may delay investment ahead of Brexit negotiations and due to the fading impact of past stimulus measures, respectively. In the US, business investment growth will be helped by strong corporate confidence and we expect greater spending in the Energy sector, following a recent increase in energy prices. If corporate tax reductions were voted, it would provide an additional boost in 2018.

Overall, the upturn in the global capex should further improve earnings potential for Industrials and IT. Although valuations have already risen, these sectors still offer upside potential, given the benefits from the global economic recovery, pick-up in capex and secular growth in technological innovation (Internet of Things, artificial intelligence and automation, among others).

Eurozone expects higher CAPEX in the next 6m



Source: SGPB, Datastream, IFO World Economic Survey, data as of 01/09/2017

OUR EQUITY SELECTION

3M Company	Durr
ABB	Eiffage
ACS	HeidelbergCement
Alstom	LafargeHolcim
ASML	Lam Research
Saint-Gobain	Schneider Electric
CFE	Siemens
CRH plc	Unibail-Rodamco
Daikin	Vinci

THEMA #1 TACTICAL THEME

Benefitting from stronger capital spending (2/5)

Our Selection (1/4)

Company	Exposure to the theme
3M Company	3M generates 33% of its revenues from the industrial segment and provides innovative industrial solutions. In our view, the company should be a beneficiary of the growth in the industrial capex. The company is working on a playbook focussed on portfolio management and on investing in innovation and business transformation.
ABB	ABB is a global leader in power and automation technologies. We expect a strong automation demand from the US end-markets such as food and beverages and automotives. ABB should also benefit from power transmission-related capex and strong demand for discrete automation (mainly robotics) from automotive companies in China and India.
ACS	ACS' construction business is making huge investments to capture opportunities in the ongoing momentum in the US construction sector. It is also investing in acquiring new equipments for its subsidiary, CIMIC, in order to capture projects under the Australian Government's Economic Action Strategy. The industrial services business invests in turnkey projects for the development, construction, maintenance and operation of energy, industrial and mobility infrastructures, fuelled by the uptick in the industrial activity worldwide.
Alstom	Rapid urbanisation in emerging economies and the need to modernise ageing fleets in developed economies indicate a healthy demand outlook for the rail transport market. In our view, Alstom should outperform the market, given its global reach, innovative product offerings and a robust order backlog of EUR 34 bn as of 1Q18, which brings revenue visibility for more than four years.
ASML	ASML is a world leader in providing lithography equipment for semiconductor chips' production. It benefits from the technological transition to advanced nodes and production capacity additions by semiconductor memory and processor chips manufacturers. We expect ASML's orders to benefit from higher lithography intensity in advanced nodes ≤ 10 nanometre (nm) in the medium term.

THEMA #1 TACTICAL THEME

Benefitting from stronger capital spending (3/5)

Our Selection (2/4)

Company	Exposure to the theme
Saint-Gobain	Saint-Gobain is a world leader in housing and construction solutions and should benefit from the recovery in residential and non-residential markets in the US and Europe. The company is also expected to benefit from the growth in the global automobile market, which would drive revenue for its Flat Glass segment.
CFE	CFE's subsidiary, DEME, is investing in building up eight new specialised vessels to strengthen its fleet, in order to capture the structural growth in the dredging industry and the surge in offshore wind power installations. DEME has already completed an investment of ~EUR 2 bn on the extension, upgrading and modernisation of its fleet from FY2008-12 and it is investing a further EUR 1 bn in acquiring advanced and highly technical vessels, which are capable of executing complex projects.
CRH	CRH's sales are expected to gain from the strong increase in capital spending in the infrastructure and construction sectors in the US and Europe, which contribute to a majority of the company's revenue. The committed funding ascertained by the government authorities and revival of the construction demand in developed markets are favourable to the company's long-term earnings growth. CRH is also investing in reducing net CO2 emissions by 25% on 1990 levels by 2020.
Daikin	Daikin is a leading manufacturer of heating, ventilation and air conditioning (HVAC) equipment. The increased penetration of HVACs in developed, as well as emerging markets, supported by the strength in construction spending should enable the company witness strong revenue growth in the long term.
Durr	Durr's revenues should benefit from a steady growth in capex in the global automotive industry. Emerging trends such as increased spending on new technologies such as electric vehicles (especially in China) and the growing adoption of advanced robots for improving productivity through automation, should be a tailwind for the company in the medium to long term.

THEMA #1 TACTICAL THEME

Benefitting from stronger capital spending (4/5)

Our Selection (3/4)

Company	Exposure to the theme
Eiffage	Eiffage is investing EUR 720 mn in the motorway stimulus programme and a further EUR 500 mn for the growth and modernisation of its motorway network. It is also renovating its existing networks for improvement in service and security and is ensuring environmental protection. Being a major contractor in France, Eiffage is also investing in large French infrastructure projects such as the Grand Paris Express network and Canal Seine Nord Europe project.
HeidelbergCement	Leading macroeconomic indicators such as GDP growth and unemployment rates continue to indicate higher construction demand, particularly in the developed markets. HeidelbergCement is expected to leverage this strong recovery by generating increased sales through improved volumes and better pricing scenario on back of the solid regional demand. The company is also investing in alternative fuels in order to minimise its carbon footprint.
LafargeHolcim	LafargeHolcim has a strong presence across developed (~40% of FY16 sales) and emerging (~60%) markets. The improvement in infrastructure and construction spending, and buoyant demand in the key markets should remain favourable for the company's earnings improvement and margin expansion. The management has a FY18 target capex of <CHF 2 bn, which would be utilised for capacity upgrade, asset base optimisation and reducing CO2 and energy costs.
Lam Research	Lam benefits from higher capex for technology transition by global NAND (transition to 3D NAND) and DRAM (sub-20 nanometre nodes production ramp) manufacturers. Continued capex by logic/foundry players for multi-patterning at 10 and 7 nanometre node chips, as well as higher spending at new indigenous China fabrications should also be a tailwind for Lam's topline.
Schneider Electric	Schneider has a wide range of medium-voltage and grid-automation products and solutions, catering to the infrastructure market. We expect the strong construction market in the US and an improvement in SU's Building and Industry segment in Western Europe to counter the impact of lower O&G prices.

THEMA #1 TACTICAL THEME

Benefitting from stronger capital spending (5/5)

Our Selection (4/4)

Company	Exposure to the theme
Siemens	Siemens is a leading player in the industrial space. Its well-diversified business model with a mix of traditional businesses, as well as potential growth areas, which helps offset pressure on any particular segment. The company generates most of its revenues from the Industrials segment thus, a revival in industrial capex should be positive for the company.
Unibail Rodamco	Unibail Rodamco is a leading commercial property company in Europe and is expected to generate long value from strategic repositioning of its portfolio through renovations/refurbishment of its existing properties and acquisitions and developments of new properties across continental Europe. The company has a healthy development pipeline of EUR 8.1 bn.
Vinci	Working as a long-term partner with the French government as concession grantor, Vinci has been investing in the motorway investment stimulus plan (target of EUR 2.5 bn), high-speed railway networks and the Grand Paris Express project to improve mobility in urban and suburban areas. It is also investing in developing smart grid energy network, internationalisation of airports, protection of environment by reducing CO2 emissions and renewable energy systems.

THEMA #1 TACTICAL THEME

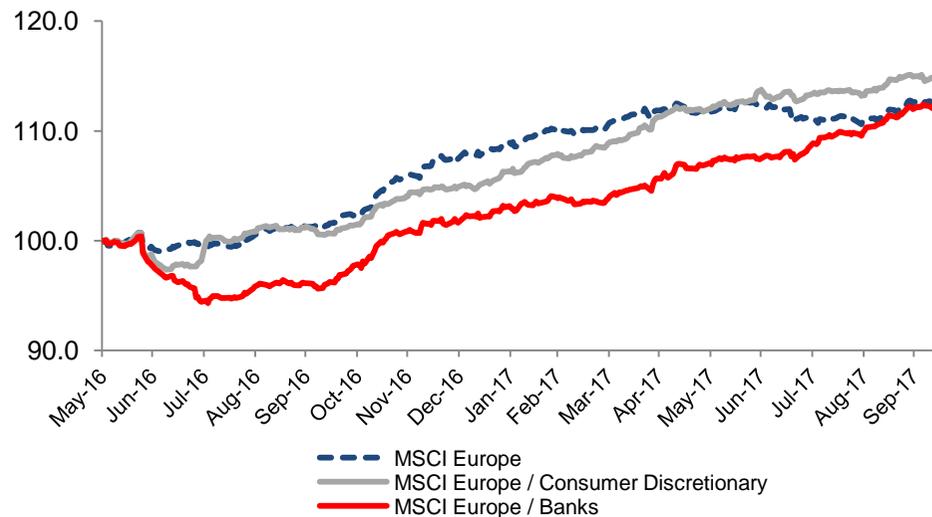
Playing the European recovery in Consumer Discretionary and Banks (1/4)

After a challenging period (2011–15), European businesses have seen a pick-up in profits since mid-2016. This was driven by a stronger global trade, the Eurozone economic recovery and accommodative monetary conditions.

The recent economic data has been encouraging with the European Commission's economic sentiment indicator rising to a decade high, along with an all-round improvement across sectors and countries. Given the assumptions of a gradual rise in inflation and long-term interest rates, we expect the European Central Bank (ECB) to maintain an accommodative monetary policy stance, and do not anticipate a cut in ECB's asset purchases before 2018. In that context, we believe that the Consumer Discretionary (high return on equity, appealing valuations and relatively better earnings growth) and Financials (prefer European banks due to their attractive valuation and positive earnings outlook) sectors are attractively positioned to benefit from the economic improvement.

The Consumer Discretionary sector is likely to witness an increase in the household spending, owing to the declining unemployment rate, low interest rates and weak oil prices. The European banks have seen a meaningful progress on de-risking of balance sheets and capitalisation since 2007. Further, concerns over a bad loan crisis have eased with the EUR 17 bn bailout of two Italian banks in June and consolidation is visible in the sector.

European Sector 12M Trailing EPS



OUR EQUITY SELECTION

ABN AMRO	KBC Group
BNP Paribas	Kering
Continental	LVMH
Credit Agricole	Renault
Erste Group	Royal DSM
Henkel	Valeo
ING Groep	
Intesa Sanpaolo	

Sources: SGPB, FactSet, October 2017

THEMA #1 TACTICAL THEME

Playing the European recovery in Consumer Discretionary and Banks (2/4)

Our Selection (1/3)

Company	Exposure to the theme
ABN AMRO	ABN AMRO derived 91% of FY16 revenues from Europe. Given its leadership position in the retail, private and corporate banking segments of the Dutch banking sector, ABN is likely to benefit from strong economic fundamentals and improvement in the housing market in the Netherlands (80% of 1Q17 operating income).
BNP Paribas	Europe contributed 73% of BNP's FY16 revenues. In our view, BNP is well positioned to benefit from the economic upturn in Europe, given its diversified and integrated business model and dominant position in the retail and corporate & institutional banking segments.
Continental	Continental's Automotive Group is the world's second largest automotive supplier and its Rubber Group has a ~6% global market share in tyres. We believe, Automotive is well-placed to benefit from the long-term trends in the automotive sector. Stringent safety and fuel-efficiency requirements should also benefit the Rubber division.
Crédit Agricole	Crédit Agricole is a leading European bank with the region accounting for 86% of FY16 revenues. While it has performed well in its retail businesses (barring French retail banking), the bank is poised to benefit from a rise in the demand for corporate loans and funding needs (other than debt) of corporate/SMEs in France (leadership position).
Erste Group	Erste Group Bank, a leading financial services organisation in Central and Eastern Europe (CEE), derives 99% of FY16 revenues from high GDP growth countries in Europe (Austria and the CEE region). In our view, Erste is well positioned to benefit from the steady economic recovery in Europe given its strong balance sheet and superior asset quality relative to peers.
Henkel	Henkel is a top-quality company suited for long-term investors, offering sound financials and sustainable growth profile. Europe accounts for 47% of sales. (15% Eastern Europe). Its adhesives division will benefit from the strong global and European industrial momentum.

THEMA #1 TACTICAL THEME

Playing the European recovery in Consumer Discretionary and Banks (3/4)

Our Selection (2/3)

Company	Exposure to the theme
ING Groep	ING is a European-focussed financial institution as the region represented 94% of FY16 revenues. Being a pure-play retail and commercial bank, ING will be able to capture the opportunities in higher-margin and fee-generating segments (transaction services, consumer lending, SME and structured & real-estate finance) in Europe.
Intesa Sanpaolo	Intesa Sanpaolo derived 93% of FY16 revenues from Europe. It has a leadership position across all banking segments in Italy. Recently, the bank acquired certain performing assets of two Italian banks for a mere EUR 1. Further, Intesa received public guarantees worth EUR 17 bn in lieu of the acquisition, which helped it to maintain its robust capitalisation and dividend flexibility. We believe that ISP was able to stitch together a good deal which will be accretive to its earnings in the medium to long-term period.
KBC Group	KBC Groep is an integrated bancassurance group and Europe constitutes 97% of its FY16 revenues. The bank has a diversified business model with strong cross-selling opportunities and solid profitability in its core markets in Europe.
Kering	Gucci, Kering's star brand, has made an impressive turnaround, supported by a benign environment for luxury, but also because of the management actions and changes. The relatively high fashion content at Gucci makes results more volatile, despite the current momentum being strong. Kering's majority stake in Puma could be put up for sale.
LVMH	GDP growth, consumer confidence and the state of the financial markets are important drivers for the luxury sector. LVMH is by far the world's biggest luxury group and despite the importance of Louis Vuitton, it is also the most diversified one. As such LVMH makes a good proxy for playing the luxury sector.

THEMA #1 TACTICAL THEME

Playing the European recovery in Consumer Discretionary and Banks (4/4)

Our Selection (3/3)

Company	Exposure to the theme
Renault	Europe accounts for ~65% of Renault's revenues. The Renault brand range has been renewed and enlarged, providing it with a strong position in a competitive European auto market, which is expected to grow by ~1%. Dacia, the group's low-cost brand continues to be a success. Renault's long-standing alliance with Nissan delivers important synergies.
Royal DSM	Europe accounts for 62% of DSM' sales. It has improved profitability in its Materials Division (32% of sales), which will benefit from strong European industrial momentum. DSM also has a cost savings programme in nutrition, which will support earnings. It has a very strong balance sheet and is expected to be back on the acquisition trail in 2018.
Valeo	Valeo is well-placed to benefit from the automotive industry's move towards lower emissions and advanced driver assistance systems (ADAS) development. The group's medium-term target is for revenue growth to outpace the global automotive production growth by 7 ppt and it has a good track record in doing the same.

THEMA #1 TACTICAL THEME

Valuation & Market Data (1/2)

DESCRIPTION			VALUATION									GROWTH				PROFITABILITY	
FactSet	Company	Cap (m€)	SGPB (e) *			EV/Sales (e)		P/E (e)			Div.Yield	Sales Growth		EPS Growth		OpM**	ROE
			RATING	TP	CRY	FY1x	FY2x	FY1x	FY2x	10Yx	FY1%	FY1%	FY2%	FY1%	FY2%	FY1%	FY1%
MMM-US	3M Company	109 778	BUY	227.0	USD	4.5	4.3	24.3	23.1	17.2	2.2	2.6	4.2	10.0	4.4	29.3	49.0
ABBN-CH	ABB Ltd.	46 426	BUY	25.4	CHF	1.6	1.5	20.6	18.0	18.7	3.2	-0.4	5.1	6.9	16.9	14.6	19.0
ABN-NL	ABN AMRO Group N.V. Shs Depository receipts	24 153	BUY	26.0	EUR	na	na	10.0	11.3	10.7	5.3	4.8	-4.0	19.7	-12.6	na	12.6
ACS-ES	Actividades de Construcción y Servicios SA	9 654	BUY	40.0	EUR	0.3	0.3	12.9	11.9	10.6	3.8	8.1	5.2	3.0	6.8	6.4	18.5
ALO-FR	Alstom SA	7 866	NEUTRAL	38.5	EUR	1.0	1.0	22.6	20.6	18.3	1.2	5.7	5.3	23.5	9.9	8.0	9.0
ASML-NL	ASML Holding NV	62 701	BUY	150.0	EUR	7.5	6.5	33.9	27.1	18.8	0.9	25.4	15.2	26.9	27.7	30.7	17.9
BNP-FR	BNP Paribas SA Class A	82 407	BUY	73.0	EUR	na	na	10.5	10.2	9.7	4.5	0.8	2.5	6.1	1.2	na	8.5
SGO-FR	Compagnie de Saint-Gobain SA	27 608	BUY	55.0	EUR	0.8	0.8	17.0	14.6	24.7	2.6	4.0	3.9	17.4	16.4	10.5	8.4
CFEB-BE	Compagnie d'Entreprises CFE SA	3 249	BUY	151.0	EUR	1.1	0.9	19.2	15.6	11.8	1.6	18.0	18.1	1.5	23.0	15.4	10.2
CON-DE	Continental AG	43 071	BUY	215.0	EUR	1.0	0.9	13.4	12.1	13.9	2.2	8.1	5.2	14.7	10.9	15.7	19.4
ACA-FR	Credit Agricole SA	40 580	BUY	17.5	EUR	na	na	11.7	11.0	13.1	4.4	12.1	5.7	24.7	8.7	na	6.4
CRG-IE	CRH Plc	25 930	BUY	36.0	EUR	1.1	1.0	18.1	16.1	19.7	2.2	2.4	-3.2	10.9	13.8	11.9	9.4
6367-JP	Daikin Industries, Ltd.	26 120	BUY	13 500.0	JPY	1.7	1.5	20.2	18.4	26.2	1.1	8.7	5.8	10.0	11.6	15.0	13.8
DUE-DE	Durr AG	3 925	BUY	114.0	EUR	1.1	1.0	20.1	19.3	21.4	1.9	1.5	2.9	8.9	3.2	10.3	20.6
FGR-FR	Eiffage SA	8 377	BUY	92.0	EUR	1.3	1.2	17.4	15.0	13.1	2.1	5.5	3.2	17.5	13.8	17.0	11.8
EBS-AT	Erste Group Bank AG	15 133	BUY	40.0	EUR	na	na	12.8	11.9	31.6	3.1	-1.6	3.1	-5.9	6.6	na	9.5
HEI-DE	HeidelbergCement AG	17 002	BUY	94.0	EUR	1.5	1.4	14.9	12.1	30.7	2.4	15.4	3.6	30.2	20.3	18.8	6.9
HEN3-DE	Henkel AG & Co. KGaA Pref	51 701	BUY	131.0	EUR	2.5	2.4	20.7	19.3	19.7	1.5	8.1	2.9	8.9	6.0	19.7	15.4
INGA-NL	ING Groep NV	60 504	BUY	17.5	EUR	na	na	11.9	11.6	11.4	4.5	1.2	2.3	7.6	2.8	na	10.0
ISP-IT	Intesa Sanpaolo S.p.A.	48 001	BUY	3.1	EUR	na	na	14.6	12.1	17.0	7.1	2.5	4.3	24.1	16.8	na	6.6
KBC-BE	KBC Groupe SA	29 945	NEUTRAL	73.0	EUR	na	na	12.0	12.6	14.8	4.2	5.5	-0.1	5.5	-6.5	na	15.0
KER-FR	Kering SA	45 125	NEUTRAL	325.0	EUR	3.3	3.0	24.9	21.9	52.1	1.6	20.1	7.5	42.7	15.3	20.9	14.7
LHN-CH	LafargeHolcim Ltd.	30 045	NEUTRAL	60.0	CHF	1.8	1.7	17.5	14.9	21.2	3.7	-3.4	4.7	17.2	19.3	22.7	6.2
LRCX-US	Lam Research Corporation	26 066	BUY	185.0	USD	2.7	2.3	14.7	13.7	21.2	0.9	24.6	3.2	31.8	6.7	31.1	25.9
MC-FR	LVMH Moët Hennessy Louis Vuitton SE	121 378	BUY	235.0	EUR	3.1	2.9	24.9	22.6	18.5	1.9	12.4	6.1	23.0	10.3	24.3	16.9
RNO-FR	Renault SA	24 639	BUY	91.0	EUR	0.4	0.3	5.5	5.4	9.1	4.0	15.1	4.1	22.0	0.6	11.0	12.8
DSM-NL	Royal DSM NV	12 635	BUY	76.0	EUR	1.7	1.6	19.1	17.6	29.1	2.6	6.8	3.5	28.6	8.7	16.5	9.5
SU-FR	Schneider Electric SE	40 899	BUY	77.0	EUR	1.9	1.9	18.7	16.9	16.6	2.9	0.5	2.9	13.3	11.4	16.2	10.5
SIE-DE	Siemens AG	96 913	BUY	123.0	EUR	1.5	1.3	15.4	14.9	16.4	3.2	5.5	3.6	11.8	5.7	13.3	16.0
UL-NL	Unibail-Rodamco SE	20 792	BUY	225.7	EUR	19.5	18.9	9.7	11.2	9.6	5.2	2.9	5.2	-10.0	-18.6	85.4	10.7
FR-FR	Valeo SA	15 073	BUY	64.0	EUR	0.9	0.8	14.9	13.0	12.7	2.2	14.9	11.7	11.2	12.6	12.6	21.1
DG-FR	VINCI SA	44 979	BUY	85.0	EUR	1.6	1.5	17.0	15.8	12.7	2.9	3.8	2.5	11.7	7.5	16.4	15.1
Average						2.6	2.4	16.9	15.4	18.5	2.9	7.6	4.6	14.9	8.8	19.7	14.3

* SGPB recommendation as of 13-10-2017. **EBITDA Margin. FY1 Current Unrealised Year, FY2 Next Year. Sources: SGPB, FactSet.

THEMA #1 TACTICAL THEME

Valuation & Market Data (2/2)

FactSet	Company	CCY	Price	52 WEEK		Avg Daily Turnover*	PERFORMANCE (%)					RISK	
				High	Low		3m	6m	12m	YTD	5y	Volatility	Beta
MMM-US	3M Company	USD	217.7	219.8	163.9	407 853	3.1	15.4	28.1	21.9	-	-	1.0
ABBN-CH	ABB Ltd.	CHF	24.3	24.9	19.7	132 160	0.7	5.7	9.7	13.1	na	na	1.0
ABN-NL	ABN AMRO Group N.V. Shs Depository rec	EUR	25.7	26.3	18.7	68 524	7.1	16.9	37.7	22.1	na	na	1.1
ACS-ES	Actividades de Construccion y Servicios S	EUR	31.1	36.8	25.9	39 102	-9.9	-5.7	18.0	3.6	83.2	18.7	0.8
ALO-FR	Alstom SA	EUR	35.5	36.5	23.5	25 385	12.3	30.5	51.0	35.6	30.9	47.9	1.2
ASML-NL	ASML Holding NV	EUR	148.3	149.1	90.5	131 810	23.2	21.6	63.6	39.1	250.1	33.4	1.1
BNP-FR	BNP Paribas SA Class A	EUR	66.1	69.0	47.1	253 959	-1.3	13.3	40.7	9.1	71.8	37.3	1.6
SGO-FR	Compagnie de Saint-Gobain SA	EUR	50.2	52.4	38.0	82 744	4.5	8.6	32.8	13.4	88.9	25.5	1.4
CFEB-BE	Compagnie d'Entreprises CFE SA	EUR	128.4	141.5	93.9	1 602	3.0	-1.8	31.8	24.1	226.5	32.1	1.4
CON-DE	Continental AG	EUR	197.7	210.4	158.2	79 135	-0.1	4.7	9.8	7.6	176.4	18.6	0.9
ACA-FR	Credit Agricole SA	EUR	14.8	15.7	9.0	92 639	-0.8	24.1	63.3	25.5	147.6	57.4	1.6
CRG-IE	CRH Plc	EUR	31.0	34.9	28.2	38 520	-2.6	-2.5	6.5	-5.9	123.7	10.9	1.4
6367-JP	Daikin Industries, Ltd.	JPY	11 840.0	12 135.0	9 502.0	9 608 229	0.8	11.8	24.1	10.3	505.9	0.3	0.8
DUE-DE	Durr AG	EUR	113.5	115.9	65.1	13 392	7.6	37.6	65.0	48.6	294.3	47.3	0.9
FGR-FR	Eiffage SA	EUR	87.0	89.8	60.1	25 194	6.1	19.9	31.9	31.3	234.9	7.7	0.9
EBS-AT	Erste Group Bank AG	EUR	37.0	38.2	25.4	22 940	5.6	23.4	39.1	32.8	100.4	24.9	1.6
HEI-DE	HeidelbergCement AG	EUR	85.7	94.6	76.9	52 083	-1.3	-1.1	2.8	-3.3	116.1	19.4	0.8
HEN3-DE	Henkel AG & Co. KGaA Pref	EUR	119.1	129.9	105.3	52 963	-1.6	-3.1	0.6	5.1	89.8	18.5	0.6
INGA-NL	ING Groep NV	EUR	15.6	16.0	11.1	228 788	-1.1	12.8	40.6	16.5	136.2	36.9	1.3
ISP-IT	Intesa Sanpaolo S.p.A.	EUR	2.9	3.0	1.9	301 446	0.3	17.3	48.2	17.9	125.7	61.9	1.6
KBC-BE	KBC Groupe SA	EUR	71.6	72.6	52.0	52 198	5.0	19.3	37.9	21.8	261.8	30.2	1.2
KER-FR	Kering SA	EUR	309.4	313.1	153.2	57 441	23.4	37.6	102.0	45.0	188.8	78.0	1.1
LHN-CH	LafargeHolcim Ltd.	CHF	57.2	60.8	49.9	110 534	0.5	-1.1	15.1	6.6	-5.0	16.0	0.9
LRCX-US	Lam Research Corporation	USD	189.9	190.3	93.7	383 018	22.6	51.7	94.3	79.6	485.0	30.5	1.4
MC-FR	LVMH Moet Hennessy Louis Vuitton SE	EUR	222.4	239.7	138.5	136 348	6.6	19.0	58.8	22.6	108.7	53.0	1.1
RNO-FR	Renault SA	EUR	84.4	90.8	69.1	77 579	8.2	0.0	13.5	-0.1	154.6	23.8	1.1
DSM-NL	Royal DSM NV	EUR	72.0	72.6	54.4	42 755	12.9	10.1	21.2	26.4	83.6	6.1	0.8
SU-FR	Schneider Electric SE	EUR	73.2	74.7	58.1	94 209	6.6	7.1	17.9	10.8	50.0	4.0	1.0
SIE-DE	Siemens AG	EUR	119.9	133.5	99.4	231 219	-0.5	-5.3	16.0	2.7	62.4	3.9	1.1
UL-NL	Unibail-Rodamco SE	EUR	208.2	238.2	202.2	64 797	-2.6	-7.1	-6.8	-8.2	24.9	1.8	0.9
FR-FR	Valeo SA	EUR	64.6	67.8	41.0	46 675	5.0	16.2	55.4	18.3	477.6	43.3	1.0
DG-FR	VINCI SA	EUR	80.6	81.3	49.9	96 796	3.4	9.1	22.9	24.6	140.1	5.9	0.9

* 6-month average, in thousand. Sources SGPB, FactSet. Data as of 13/10/2017.

THEMA #2 DISRUPTIVE TECHNOLOGIES

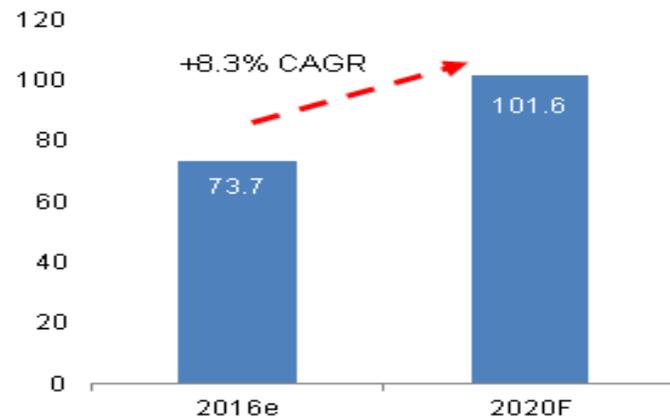
Security First: Preventing digital security breaches (1/3)

Cyber attacks were ranked among the top 10 threats in the 2017 World Economic Forum's Global Risks Report. With the fast evolution of the IT infrastructure landscape towards next generation offerings such as mobile computing, IoT and cloud data storage solutions, the number of digital security breaches has increased significantly (over 80 million a year of which 70% remained undetected).

There will be an increasing need for investments in digital security solutions in the years ahead, particularly in the US, where cybercrime costs are the highest in the world. The global cyber security market is expected to grow at an average annual growth rate of 8.3%, from USD 73.7 billion in 2016 to USD 101.6 billion by 2020 (source: International Data Corporation, 12/10/2016).

We expect companies with the biggest exposure to next generation security to garner market share and emerge as winners in the years to come. In our view, companies specialised in networks, endpoint and content security, data protection, cyber insurance, identity verification and analysis of machine-generated big data would benefit the most.

Global Security Technology Revenue Forecasts (USD in bn)



Sources: SGPB, IDC, October 2016

OUR EQUITY SELECTION

Accenture
Alphabet
Amazon
Atos
Checkpoint
Cisco
Microsoft
Wirecard

THEMA #2 DISRUPTIVE TECHNOLOGIES

Security First: Preventing digital security breaches (2/3)

Our Selection (1/2)

Company	Exposure to the theme
Accenture	The company has transformed its product offerings to high-growth services such as digital, cloud and security-related services, which together accounted for ~50% of FY17 revenues. Given the growing demand for such new technologies, it should help Accenture in gaining market share and lead to organic growth.
Alphabet	As a leading player in the internet and IoT space, Alphabet through Google focusses on security. The company provides integrated security features for its cloud-based applications. Over the last 10 years the company has made seven acquisitions to strengthen its security offerings.
Amazon	Amazon has been investing into cyber-security and launched new services to help protect customers against cyber attacks. The company's high-margin cloud services (FY18E growth of ~36%) should continue to facilitate revenue growth in our view; along with the Amazon Prime and Fulfillment programmes that drive the market share.
Atos	Atos is well-placed among European IT service-providers, following successful acquisitions. The company has a strong backlog of EUR 22.2 bn, providing revenue visibility of 1.8 years. Atos is seeing strong growth in cyber security, and the company's Big Data & Cyber security revenues have grown ~14.2% in 1H17.

THEMA #2 DISRUPTIVE TECHNOLOGIES

Security First: Preventing digital security breaches (3/3)

Our Selection (2/2)

Company	Exposure to the theme
Checkpoint	Being the largest pure player in network cyber security, we believe Checkpoint (CHKP) has strong growth prospects. While maintaining its leadership in traditional firewall and intrusion-prevention segments, CHKP has been focussing on expanding sales into mobile, IoT and data centre security. This should allow it to gain market share, while retaining industry-leading margins.
Cisco	Cisco currently generates ~5% of its revenues from its security offerings. Its offerings cater to the entire cyber security gambit, right from basic mail security to advanced web and router security products.
Microsoft	Microsoft invests heavily in security R&D and provides comprehensive integrated security solutions that are built into its products such as Windows Defender and Cloud App Security. Microsoft Advanced Threat Analytics and Azure Active directory also provide identity-based threat prevention capabilities across devices and platforms through the cloud.
Wirecard	Wirecard is a Germany-based electronic payment processor that provides technologies and services for payment transactions. The company is well established in risk management solutions and provides security for all payment methods. It's payment processing and risk management segment accounts for ~ 71% of FY16 revenues.

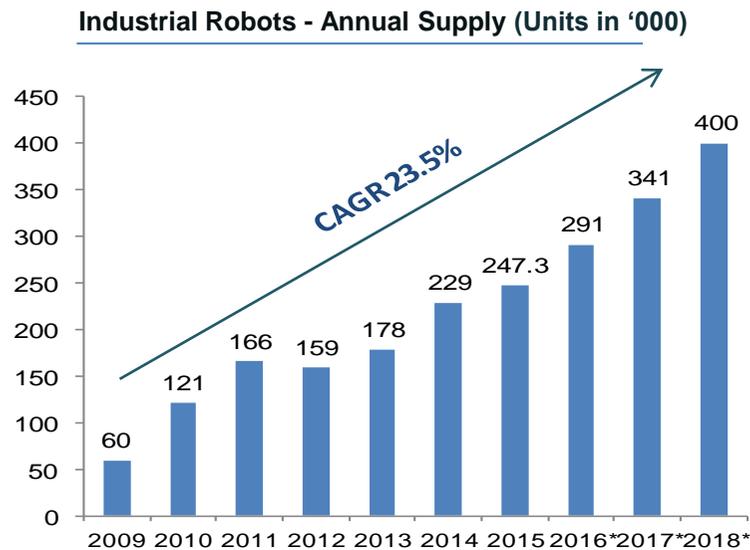
THEMA #2 DISRUPTIVE TECHNOLOGIES

Robotics: The fourth industrial revolution (1/2)

We stand on the brink of a technological revolution that will fundamentally alter the way we live, work and relate to one another. Technological innovation in recent years such as artificial intelligence, analytics, remote monitoring, sophisticated sensors and robotics has a major impact on businesses across all industries.

The introduction of new technologies in the supply chain such as devices driven by IoT has created new ways of serving the existing needs to the point of disrupting the existing industry value chain. The integration of connected machines and Big Data analytics has led to the development of innovative systems, helping corporations generate long-term gains in efficiency and productivity. Research firm McKinsey estimates the economic impact of Industrial Internet to at least USD 1.4 trn by 2025.

Overall, the shift from simple digitalisation (the third industrial revolution) to innovation based on combinations of technologies (the fourth industrial revolution), will encourage companies to reassess the way they do business. We expect progress in robotics and artificial intelligence to be a key catalyst in business developments in the years ahead. We provide a selection of companies that should benefit from the increased adoption of artificial intelligence and robotics in the supply chain.



Sources: SGPB, International Federation of Robotics
*Forecast

OUR EQUITY SELECTION

ABB
Amazon
Dürr
Rockwell Automation
Schneider Electric

THEMA #2 DISRUPTIVE TECHNOLOGIES

Robotics: The fourth industrial revolution(2/2)

Our Selection

Company	Exposure to the theme
ABB	ABB is a global leader in power and automation technologies. It offers a variety of industrial robots and has an installed base of more than 300 000 robots globally. The company continues to strengthen its robotics portfolio with new offerings (Connected Services and SafeMove2). We expect a strong automation demand from the US end-markets such as food and beverages and automotives.
Amazon	Amazon has been investing into artificial intelligence and robotics. It has huge robotic capabilities with thousands of robots functioning across its fulfillment centres. The company's high-margin cloud services should continue to facilitate revenue growth in our view; along with the Amazon Prime and Fulfillment programmes that drive the market share.
Dürr	Dürr is the worlds' leading supplier of paint shops and assembly automation systems for the automotive and woodworking industries. Its software platform called the iTAC.IoT.Suite and associated analytics services help its customers control and optimise industrial production processes. It should benefit from a higher adoption of robots and process automation by global automotive manufacturers.
Rockwell Automation	Rockwell is a pure-play on global industrial automation demand. The company has made significant technology investments in its Connected Enterprises business. Hence, we expect the demand in this domain to increase, led by the growing need to improve productivity, product quality and workplace safety in the manufacturing sector.
Schneider Electric	Schneider Electric (SU) is a global leader in energy management and automation. Schneider should benefit from a higher demand for robotic solutions (components and software). Recovery in China's industrial market augurs well for SU. Process automation is showing signs of improvement, with peers noting a stabilisation in the order inflow.

THEMA #2 DISRUPTIVE TECHNOLOGIES

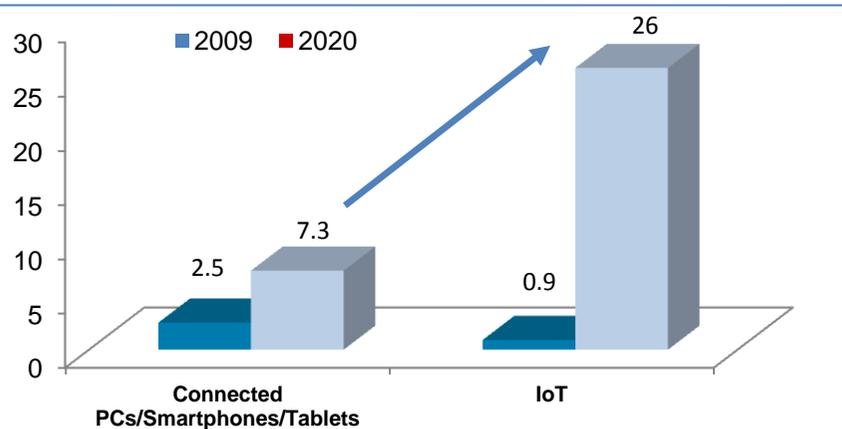
Internet of Things: How does it change the way we live? (1/2)

IoT describes 'smart' internet connected devices such as home appliances, automobiles, healthcare and industrial equipment. Embedded **sensors, microcontrollers and wireless modules** allow IoT objects to be sensed or controlled remotely across existing network infrastructures. These are also able to make smart decisions by collecting and analysing real-time data.

Technology research firm Gartner estimates that there will be **over 20.4 bn connected devices** by 2020 (from ~8.4 bn in 2017). Total spending on IoT hardware is expected to grow to **USD 2.9 trn in 2020, with revenues coming almost equally from consumer and corporate spending.**

As technological innovation advances, IoT devices are most likely to provide a fundamental change in how people and businesses operate.

Total Connected Devices (estimate in bn)



Sources: Gartner, SGPB

OUR EQUITY SELECTION

Alphabet
Apple
Cisco
Intel
salesforce.com
Samsung Electronics

THEMA #2 DISRUPTIVE TECHNOLOGIES

Internet of Things: How does it change the way we live?(2/2)

Our Selection

Company	Exposure to the theme
Alphabet	Alphabet is developing wearables such as the Google Glass and is making automated cars. It also unveiled Project Brillo (an operating system for IoT) and Weave (a communication layer that enables interaction between IoT devices). In our view, these products and solutions will help the company to strengthen its position in the IoT space.
Apple	Apple's ecosystem of devices and software (which include iOS, iTunes and App Store) acts as a key enabler for interaction between connected devices. Apple announced its HomeKit and HealthKit platforms for connected homes and fitness wearable. It had earlier announced Apple CarPlay, an ecosystem for connected cars.
Cisco	Cisco was among the first companies to focus on IoT, and expects the market to be 5–10x the size of the internet market. The company has ~800 IoT-enabled products.
Intel	Intel manufactures low-power processors such as Atom, Quark and Curie, specifically designed for the wearable technology and the Internet of Things segments (~5% of FY16 revenues). In our view, the acquisition of Mobileye (announced on 13 March) should allow Intel to take a leading share in the connected cars and autonomous driving markets.
salesforce.com	The Salesforce IoT cloud platform links data from connected devices in a network to traditional CRM systems and helps generate customer insights. Salesforce1 supports applications for IoT-connected devices. Salesforce Wear allows companies to connect with their customers through apps for wearables.
Samsung Electronics	Samsung has an open platform for IoT called Artik to power devices such as wearables, drones, and smart-home hubs. Artik includes chips, software support, developer tools, and embedded encryption for security. In 2014, it acquired SmartThings, an open platform for smart-home devices supporting over 1 000 devices and 8 000 apps.

THEMA #2 DISRUPTIVE TECHNOLOGIES

Valuation & Market Data (1/2)

DESCRIPTION			VALUATION									GROWTH				PROFITABILITY	
FactSet	Company	Cap (m€)	SGPB (e) *			EV/Sales (e)		P/E (e)			Div.Yield	Sales Growth		EPS Growth		OpM**	ROE
			RATING	TP	CRY	FY1x	FY2x	FY1x	FY2x	10Yx		FY1%	FY2%	FY1%	FY2%		
ABBN-CH	ABB Ltd.	46 426	BUY	25.4	CHF	1.6	1.5	20.6	18.0	18.7	3.2	-0.4	5.1	6.9	16.9	14.6	19.0
ACN-US	Accenture Plc Class A	72 683	NEUTRAL	138.0	USD	2.1	2.0	21.3	19.4	17.3	2.0	9.3	6.6	10.7	9.3	17.1	42.9
GOOGL-US	Alphabet Inc. Class A	589 379	BUY	1 060.0	USD	7.0	5.6	32.9	25.0	30.9	0.0	19.9	17.8	-11.4	30.1	48.9	13.9
AMZN-US	Amazon.com, Inc.	407 074	BUY	1 100.0	USD	2.8	2.2	269.1	125.7	204.2	0.0	24.2	22.5	-23.5	122.7	10.8	7.7
AAPL-US	Apple Inc.	685 133	BUY	172.0	USD	2.9	2.4	17.5	14.3	20.8	1.5	5.5	15.6	8.3	22.1	31.2	35.0
ATO-FR	Atos SE	13 858	BUY	142.0	EUR	1.0	0.9	15.9	14.9	31.8	1.4	9.4	2.5	13.7	7.7	13.2	17.9
CHKP-US	Check Point Software Technologies Ltd.	16 451	BUY	125.0	USD	8.3	7.6	23.0	21.0	18.9	0.0	7.7	6.8	10.0	9.1	55.1	23.5
CSCO-US	Cisco Systems, Inc.	140 038	BUY	34.0	USD	2.7	2.5	13.8	13.1	16.6	3.6	0.4	1.7	2.1	4.7	35.0	17.8
DUE-DE	Durr AG	3 925	BUY	114.0	EUR	1.1	1.0	20.1	19.3	21.4	1.9	1.5	2.9	8.9	3.2	10.3	20.6
INTC-US	Intel Corporation	157 500	BUY	42.0	USD	3.1	3.0	13.2	12.8	16.4	2.7	3.2	2.8	10.3	3.3	42.3	20.3
MSFT-US	Microsoft Corporation	504 285	BUY	82.0	USD	5.2	4.7	24.2	21.4	17.7	2.2	8.2	7.3	-3.3	13.4	38.5	25.7
ROK-US	Rockwell Automation, Inc.	20 159	NEUTRAL	166.0	USD	3.9	3.6	27.4	25.5	17.6	1.6	7.3	5.5	13.9	8.1	21.5	41.1
CRM-US	salesforce.com, inc.	58 263	BUY	102.0	USD	6.4	5.1	73.7	56.9	2 009.9	0.0	23.8	19.8	29.7	30.1	22.0	9.6
SMSN-GB	Samsung Electronics Co., Ltd. GDR RegS	241 382	BUY	1 260.0	USD	1.3	1.1	9.2	7.7	10.3	1.3	23.5	9.3	90.2	18.3	32.0	19.5
SU-FR	Schneider Electric SE	40 899	BUY	77.0	EUR	1.9	1.9	18.7	16.9	16.6	2.9	0.5	2.9	13.3	11.4	16.2	10.5
WDI-DE	Wirecard AG	10 037	BUY	85.0	EUR	7.0	5.5	37.8	29.3	28.0	0.2	34.9	26.0	46.9	32.4	29.1	15.7
		Average				3.6	3.2	39.9	27.6	156.1	1.5	11.2	9.7	14.2	21.4	27.4	21.3

* SGPB recommendation as of 13-10-2017. **EBITDA Margin. FY1 Current Unrealised Year, FY2 Next Year. Sources: SGPB, FactSet.

THEMA #2 DISRUPTIVE TECHNOLOGIES

Valuation & Market Data (2/2)

FactSet	Company	CCY	Price	52 WEEK		Avg Daily Turnover*	PERFORMANCE (%)					RISK	
				High	Low		3m	6m	12m	YTD	5y	Volatility	Beta
ABBN-CH	ABB Ltd.	CHF	24.3	24.9	19.7	132 160	0.7	5.7	9.7	13.1	35.8	12.7	1.0
ACN-US	Accenture Plc Class A	USD	139.2	139.7	112.3	285 178	10.9	20.4	18.3	18.8	100.5	4.5	0.9
GOOGL-US	Alphabet Inc. Class A	USD	1 005.7	1 011.5	743.6	1 705 561	3.9	19.5	23.9	26.9	169.8	2.7	1.4
AMZN-US	Amazon.com, Inc.	USD	1 000.9	1 083.3	710.1	3 612 341	-0.6	11.7	20.0	33.5	313.0	22.3	1.3
AAPL-US	Apple Inc.	USD	156.0	164.9	104.1	4 404 941	7.0	10.0	32.9	34.7	73.4	19.7	0.8
ATO-FR	Atos SE	EUR	133.7	135.4	90.8	32 581	7.6	17.1	40.2	33.4	161.6	2.2	0.8
CHKP-US	Check Point Software Technologies Ltd.	USD	117.8	118.2	75.4	108 399	2.9	13.2	53.4	39.4	155.7	40.7	0.4
CSCO-US	Cisco Systems, Inc.	USD	33.3	34.6	29.1	725 147	6.7	2.0	9.6	10.1	80.7	0.8	1.4
DUE-DE	Durr AG	EUR	113.5	115.9	65.1	13 392	7.6	37.6	65.0	48.6	294.3	47.3	0.9
INTC-US	Intel Corporation	USD	39.2	40.0	33.2	872 399	14.4	10.0	5.5	8.1	82.4	6.9	1.3
MSFT-US	Microsoft Corporation	USD	77.1	77.3	56.3	1 758 407	8.4	18.2	35.0	24.1	164.1	9.6	1.0
ROK-US	Rockwell Automation, Inc.	USD	184.5	185.3	115.1	136 295	11.3	22.8	58.7	37.3	164.6	34.3	1.7
CRM-US	salesforce.com, inc.	USD	96.7	98.2	66.4	412 505	7.0	16.0	33.9	41.3	na	27.4	0.8
SMSN-GB	Samsung Electronics Co., Ltd. GDR RegS	USD	1 211.0	1 224.0	592.6	24 137	9.8	31.1	78.6	62.1	108.4	39.4	1.0
SU-FR	Schneider Electric SE	EUR	73.2	74.7	58.1	94 209	6.6	7.1	17.9	10.8	50.0	4.0	1.0
WDI-DE	Wirecard AG	EUR	80.8	81.0	38.6	27 310	23.8	51.3	83.7	97.5	358.3	56.7	0.4

* 6-month average, in thousand. Sources SGPB, FactSet. Data as of 13/10/2017.

THEMA #3 SCARCE RESOURCES

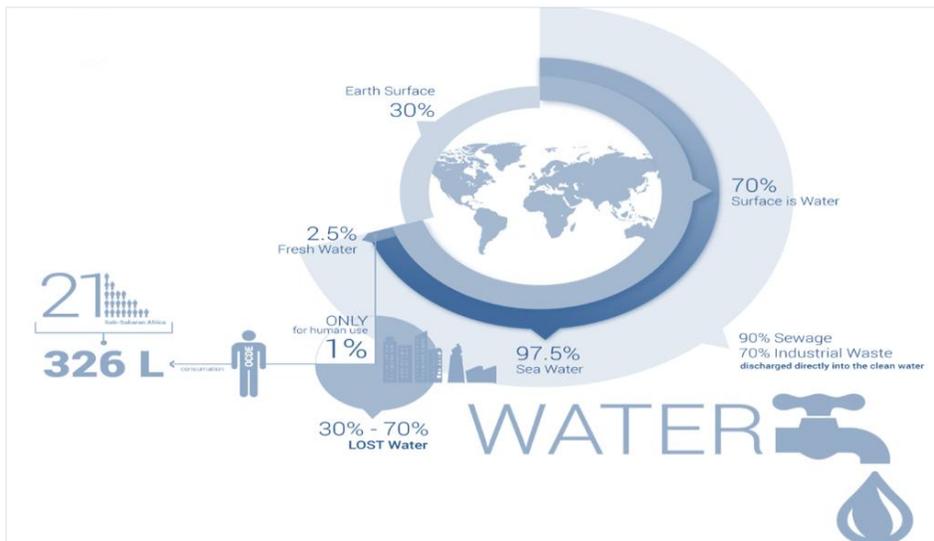
Blue Gold: The challenges of water-supply (1/2)

The world's population is expected to reach 9.7 bn by 2050, according to Undesa. Higher living standards and increased level of urbanisation will further push the demand for water globally. However, global climatical changes is expected to exacerbate current and future stresses on water resources from population growth and land use.

Water, also known as “blue gold,” is set to become one of the most important physical commodities. The water industry also exhibits the characteristics of a defensive industry, less exposed to economic cycles and economic downturns than other sectors.

Global Water Intelligence (GWI) estimates the global water market to grow 4.2% per year to reach USD 689 bn in 2018. GWI expects the water/waste water utilities submarket to account for 58% of the global water market. The remainder would comprise water/waste water solutions and services submarket. India and China are expected to be the fastest growing water markets by 2020, driven by government efforts.

Water in Numbers (2017)



Sources: SGPB, Swiss Water Tech Research

OUR EQUITY SELECTION*

Pennon Group
Suez Environnement
Veolia Environnement

*Movements disclosed on slide 56

THEMA #3 SCARCE RESOURCES

Blue Gold: The challenges of water-supply (2/2)

Our Selection

Company	Exposure to the theme
Pennon Group	Pennon has a strong position in the regulated UK water market, helped by its fast-track status that allows it to earn superior returns on regulated equity. The market has been consolidating over the last decade, and with the regulatory uncertainty out of the way, Pennon could be a takeover target given its regulated asset base.
Suez Environnement	Suez Environnement (SEV) provides services to the water treatment and waste management sectors. Despite the global macroeconomic uncertainty, government regulations worldwide are supportive of environmental companies. The UK, for instance, has increased landfill tax; China enacted three important laws in 2015, expediting the treatment of hazardous waste and water pollutants, and many countries submitted their pollution-control plans at the Paris climate conference in December.
Veolia Environnement	Veolia is well placed to benefit from the global need for enhanced environmental infrastructure and water and waste opportunities in the industrial segment. The company plans to double its discretionary growth capex from EUR 205 mn in FY16 to ~EUR 500 mn in the coming years, which should drive its earnings growth.

THEMA #3 SCARCE RESOURCES

Climate Change: The global shift towards energy efficiency (1/ 2)

With no change to the current trends, the **global energy consumption and CO2 emissions would double by 2060**. This would be devastating for the environment, forcing us to reconsider on how we produce and consume energy.

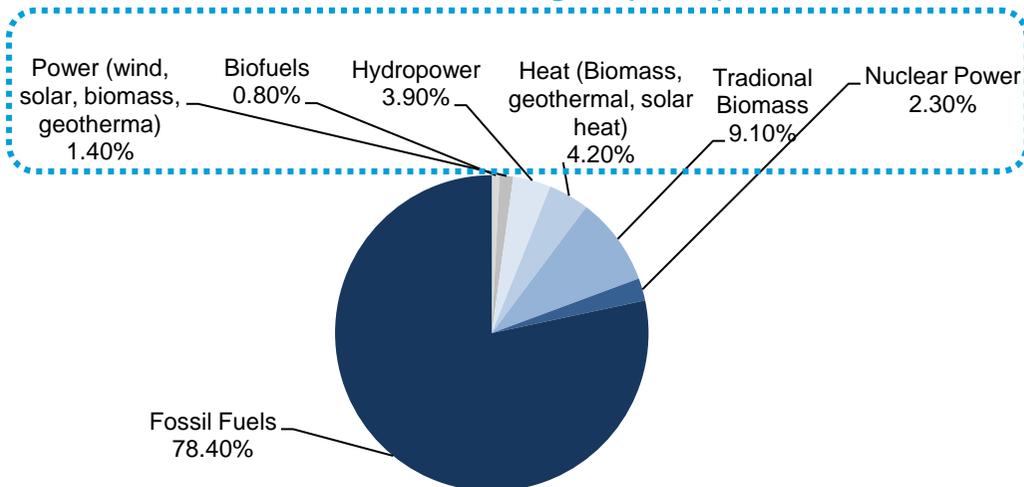
The **energy sector is the largest source of greenhouse gas emissions** (66% of emissions result from energy production and use) and is most concerned by global efforts to reduce reliance on fossil fuels. The good news is that **governments have stepped up efforts to favour green energy and energy efficiency**.

With the world shifting progressively towards clean energy, we believe **efficiency can make the transition cheaper, faster and more beneficial across all sectors of the economy**. IEA estimates that the global investment in energy efficiency rose 6% YoY in 2015 to USD 221 bn. Investment growth was the strongest in building sector, at 9%, **with the US accounting for almost 25% of all efficiency investment in the sector**.

As a result, the **demand for clean energy sources such as solar and wind** is growing fast and carries huge long-term potential. We believe, the world's transition to a low-carbon economy will offer investment opportunities in a wide range of sectors.

Energy Consumption in 2015

Renewable Energies (19.3%)



Sources: SGPB, REN21 2017 report

OUR EQUITY SELECTION*

ABB
Enel
Engie
Schneider Electric

*Movements disclosed on slide 56

THEMA #3 SCARCE RESOURCES

Climate Change: The global shift towards energy efficiency(2/ 2)

Our Selection

Company	Exposure to the theme
ABB	ABB is a global leader in power and automation technologies. ABB is contributing in the reduction of greenhouse gases through its energy efficient and renewable energy solutions. The company is focussing on reducing the carbon intensity in its energy sources and targets to reduce the energy intensity of its business by 20% by 2020 as compared to 2013 baseline.
Enel	We are positive about Enel's increasing exposure to renewable energy and emerging markets, which offer the demand-driven growth, along with better pricing. Moreover, it increased growth capex targets in the Renewable and Networks segments and reduced them in Generation. Also, 53% of its EUR 17 bn growth capex till FY19 is linked to Enel Green Power.
Engie	We are encouraged by Engie's strategic renewable-energy initiative: It announced that its new investments in power production would be in those projects that emit little or no CO2, renewable energy and natural gas. It also plans to stop building coal-fired power plants. The contribution of regulated activities to EBITDA is expected to increase to >85% by FY18.
Schneider Electric	Schneider Electric is a global leader in energy management and automation. The company is in the Climate A List of CDP, an international not-for-profit organisation that drives sustainable economies. Schneider has low-carbon technologies and designs its new product offerings in an ecoDesign way, including CO2 profiling.

THEMA #3 SCARCE RESOURCES

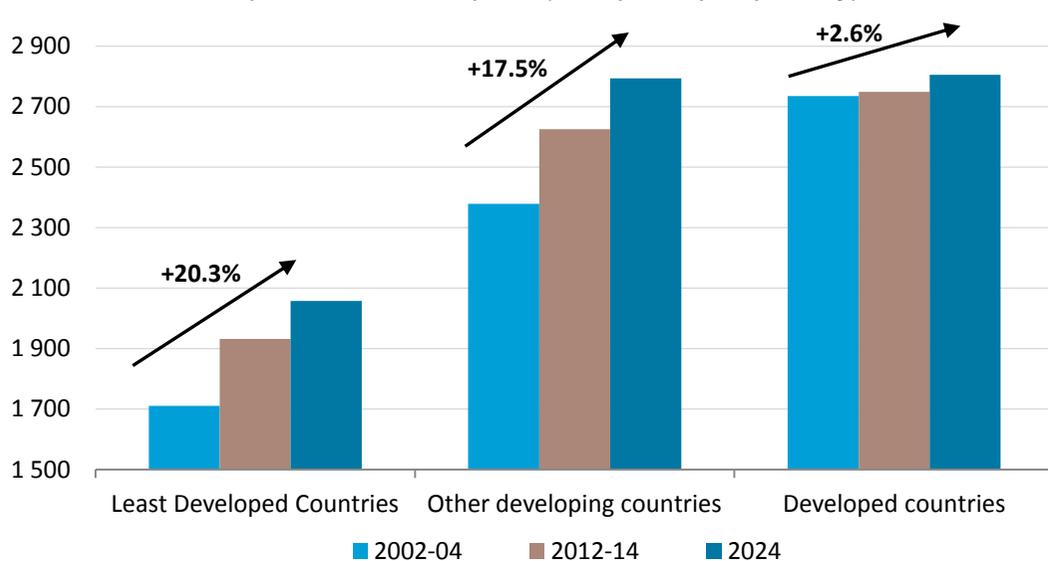
Sustainable Food: The future of agricultural productivity (1/3)

In Monsanto's 2016 annual report, the CEO Hugh Grant writes: "In my 35 years with Monsanto, the challenges within the agriculture industry have never been greater and neither have the possibilities."

The global population is expected to grow from 7.2 bn today to 9.6 bn by 2050E. The combination of rising incomes and changing diets mean that by 2050, the world needs to produce 70% more food globally. While the global population growth is strong, farmland available per head is shrinking.

Agricultural productivity and improved logistics will be key to safeguard food supply in the long term. Farming digitalisation should favour resources' sustainability and efficiency. It will also allow farmers to get the highest yield with minimal environmental impact. According to Beecham Research, the use of new technologies could increase agricultural productivity by up to 70% through 2050. In 2024, 225 mn interconnected devices will be in use worldwide in the farming industry. (Machina Research).

Growing Food Consumption, Especially In Developing Countries
Per capita food consumption (Kcal per capita per day)



Sources: SGPB, OECD/FAO (data as of 2015)

OUR EQUITY SELECTION*

AB InBev
Ahold Delhaize
Carrefour
Coca-Cola
Danone
Kroger
Metro AG
PepsiCo

Royal DSM
Starbucks
Thermo Fisher

*Movements disclosed on slide 56

THEMA #3 SCARCE RESOURCES

Sustainable Food: The future of agricultural productivity (2/3)

Our Selection (1/2)

Company	Exposure to the theme
AB Inbev	AB Inbev has a set of goals to reduce the harmful use of alcohol. It increases efficiency and reduces impacts throughout its operations and its entire value chain. The environmental goals span its own operations and extend to its supply chain and beyond.
Ahold Delhaize	Ahold Delhaize continuously reviews its operational processes to reduce food waste across stores, warehouses and transport. It diverts unsold food to food banks and other recycling methods such as animal feed production, green energy facilities or industrial uses. In 2016, it recycled 72% of food waste, moving towards its FY20 goal of 90%. Ahold Delhaize's Sustainable Retailing Strategy targets to increase sales of nutritious own-brand products to 45% and aims to cut food wastage by 20% by FY20.
Carrefour	Carrefour is the first private donor for food banks in France. The Carrefour foundation supports the food banks to transport products, especially fresh ones, and to store them through cold storage rooms. Since 1994, Carrefour has financed the acquisition of more than 215 equipments for food banks, which include 165 refrigerated vehicles, 35 cold storage rooms and refrigerated boxes.
Coca-Cola	Coca-Cola is making progress on its 2020 sustainability commitments. Amongst others, the company will offer low- or no-calorie beverage options in every market, provide transparent nutrition information, improve water efficiency, return water to the communities and nature, recover and recycle more, reduce the carbon footprint and sustainably source its key agricultural ingredients.
Danone	Danone is the world leader in fresh dairy products and a leading international producer of bottled water, baby and medical nutrition products. Danone's Manifesto embodies its commitment to lead an Alimentation Revolution leading to healthier choices and lifestyles. It aims for zero carbon and strongly reduced water use in its global supply chain.

THEMA #3 SCARCE RESOURCES

Sustainable food: The future of agricultural productivity (3/3)

Our Selection (2/2)

Company	Exposure to the theme
Kroger	Kroger was named to the Dow Jones Sustainability North America Index for the fourth consecutive year. It is recognised as one of the America's most generous companies for its support to >100 Feeding America food bank partners, the military and their families, and >145,000 community organisations, including schools.
Metro AG	Metro has integrated sustainability across all its key operations and is collaborating with start-ups to find solutions for a secured food supply. The company actively supports local food banks with both financial support and food donations in 17 countries and has initiated a project to contribute to the integration of refugees. Metro is also an industry leader in the Dow Jones sustainability world and Europe indices for 2016.
PepsiCo	In 2016, PepsiCo launched its 2025 Sustainability Agenda. It will reduce added sugars, saturated fat and sodium levels in its products. The environmental footprint of the food system will be reduced through operational efficiencies and mobilisation of its suppliers and business partners. Also, it intends to empower people and social development across its operations, supply chain and communities.
Royal DSM	Nutrition accounts for 66% of DSM' sales (46% animal nutrition, 35% human nutrition, 10% food specialties, 8% personal care & aroma ingredients). DSM is uniquely positioned in all steps of the feed and food value chains. It is investing a lot in the improvement of sustainable sourcing and production of its active ingredients. One of its projects is "clean cow", developing a feed solution that reduces enteric methane emissions from cattle by at least 30%.
Starbucks	Starbucks commands an industry leading position in the global coffee market with a strong presence in the US, China and Europe. The company's procurement strategy for Arabica coffee beans also entails in helping farmers with reduced impact on the environment, as well as contributes in reducing the carbon footprint from its operations. Moreover, the company encourages recycling and reducing waste through initiatives such as promoting reusable cups.
Thermo Fisher	Thermo Fisher Scientific (TMO) is a global leader in serving science. TMO has strengthened its capabilities in 2016 (Shanghai, Seoul and Singapore) and is also set to witness accelerated sales in China (given the country's underpenetrated applied market for environment safety and food safety equipment).

THEMA #3 SCARCE RESOURCES

Valuation & Market Data (1/2)

DESCRIPTION			VALUATION									GROWTH				PROFITABILITY	
FactSet	Company	Cap (m€)	SGPB (e) *			EV/Sales (e)		P/E (e)			Div.Yield	Sales Growth		EPS Growth		OpM**	ROE
			RATING	TP	CRY	FY1x	FY2x	FY1x	FY2x	10Yx		FY1%	FY2%	FY1%	FY2%		
ABBN-CH	ABB Ltd.	46 426	BUY	25.4	CHF	1.6	1.5	20.6	18.0	18.7	3.2	-0.4	5.1	6.9	16.9	14.6	19.0
ABI-BE	Anheuser-Busch InBev SA/NV	205 266	BUY	125.0	EUR	5.5	5.2	29.2	24.6	30.9	3.1	11.6	3.3	34.8	18.6	38.5	11.9
CA-FR	Carrefour SA	13 135	NEUTRAL	18.0	EUR	0.2	0.2	14.8	13.5	25.9	3.6	3.5	3.1	-17.5	9.6	4.6	7.7
KO-US	Coca-Cola Company	166 424	BUY	48.0	USD	6.4	7.3	24.3	23.3	21.4	3.1	-16.5	-11.8	-0.5	4.2	31.1	40.6
BN-FR	Danone SA	43 815	BUY	77.0	EUR	2.6	2.4	20.3	18.4	19.4	2.6	12.9	5.3	10.0	10.3	17.6	14.3
ENEL-IT	Enel SpA	52 562	BUY	5.5	EUR	1.2	1.2	14.6	13.0	18.8	4.4	3.2	1.7	36.8	12.5	21.0	10.0
ENGI-FR	ENGIE SA	34 600	BUY	15.5	EUR	1.0	0.9	14.2	14.3	15.5	4.9	na	1.7	na	-0.3	15.3	6.1
KR-US	Kroger Co.	16 008	BUY	23.0	USD	0.3	0.3	10.8	11.0	32.1	2.4	5.6	1.5	-5.7	-2.3	4.8	28.1
B4B-DE	METRO AG	6 260	BUY	19.5	EUR	0.3	0.2	12.2	11.8	na	4.0	na	2.1	na	2.3	4.9	15.8
PNN-GB	Pennon Group Plc	3 741	BUY	11.0	GBP	4.4	4.4	16.8	14.8	24.4	4.9	2.1	2.7	0.7	11.8	36.5	13.4
PEP-US	PepsiCo, Inc.	135 323	BUY	125.0	USD	2.9	2.8	21.6	20.1	19.8	2.8	1.0	3.6	7.8	7.1	20.7	55.8
AD-NL	Royal Ahold Delhaize N.V.	19 951	BUY	18.0	EUR	0.4	0.4	12.3	11.2	15.0	3.8	0.6	0.1	9.5	10.0	6.6	10.0
DSM-NL	Royal DSM NV	12 635	BUY	76.0	EUR	1.7	1.6	19.1	17.6	29.1	2.6	6.8	3.5	28.6	8.7	16.5	9.5
SU-FR	Schneider Electric SE	40 899	BUY	77.0	EUR	1.9	1.9	18.7	16.9	16.6	2.9	0.5	2.9	13.3	11.4	16.2	10.5
SBUX-US	Starbucks Corporation	67 977	BUY	64.0	USD	3.6	3.3	27.0	23.8	731.2	1.8	5.5	10.2	7.9	13.6	24.3	49.3
SEV-FR	SUEZ SA	9 499	BUY	18.0	EUR	1.1	1.0	23.3	16.9	18.2	4.2	5.0	12.2	-12.3	39.2	16.6	6.4
TMO-US	Thermo Fisher Scientific Inc.	65 065	BUY	191.0	USD	4.7	4.1	20.6	18.3	27.2	0.3	12.1	11.8	12.9	12.7	25.5	15.4
VIE-FR	Veolia Environnement SA	10 915	BUY	22.0	EUR	0.8	0.8	20.0	16.8	28.1	4.1	2.2	1.9	1.9	21.9	12.6	7.1
		Average				2.3	2.2	18.9	16.9	64.3	3.3	3.5	3.4	8.4	11.6	18.2	18.4

* SGPB recommendation as of 13-10-2017. **EBITDA Margin. FY1 Current Unrealised Year, FY2 Next Year. Sources: SGPB, FactSet.

THEMA #3 SCARCE RESOURCES

Valuation & Market Data (2/2)

FactSet	Company	CCY	Price	52 WEEK		Avg Daily Turnover*	PERFORMANCE (%)					RISK	
				High	Low		3m	6m	12m	YTD	5y	Volatility	Beta
ABBN-CH	ABB Ltd.	CHF	24.3	24.9	19.7	132 160	0.7	5.7	9.7	13.1	35.8	12.7	1.0
ABI-BE	Anheuser-Busch InBev SA/NV	EUR	106.3	117.7	92.1	138 796	7.0	2.9	-9.3	5.7	56.7	17.6	1.1
CA-FR	Carrefour SA	EUR	17.3	24.8	16.3	70 869	-20.5	-18.3	-25.3	-24.4	4.8	3.7	0.6
KO-US	Coca-Cola Company	USD	46.6	47.0	39.9	521 134	4.3	9.0	11.9	12.4	23.0	9.0	0.4
BN-FR	Danone SA	EUR	69.4	69.5	57.7	111 090	5.2	7.9	8.0	15.2	42.2	1.5	0.6
ENEL-IT	Enel SpA	EUR	5.2	5.3	3.6	141 920	na	na	na	na	na	na	0.6
ENGI-FR	ENGIE SA	EUR	14.3	15.0	10.8	92 704	7.5	8.7	8.7	18.1	-19.4	15.4	0.9
KR-US	Kroger Co.	USD	20.4	36.4	19.7	349 967	na	na	na	na	na	na	1.1
B4B-DE	METRO AG	EUR	17.3	20.1	16.0	23 031	-5.5	na	na	na	na	na	1.4
PNN-GB	Pennon Group Plc	GBP	7.8	9.5	7.6	11 303	-3.5	-12.9	-7.1	-5.2	9.3	7.1	0.8
PEP-US	PepsiCo, Inc.	USD	113.6	119.4	98.5	459 302	-1.2	0.8	6.3	8.5	61.6	0.6	0.1
AD-NL	Royal Ahold Delhaize N.V.	EUR	15.9	21.1	14.7	105 584	-7.4	-17.8	-22.1	-20.5	na	27.4	1.4
DSM-NL	Royal DSM NV	EUR	72.0	72.6	54.4	42 755	12.9	10.1	21.2	26.4	83.6	6.1	0.8
SU-FR	Schneider Electric SE	EUR	73.2	74.7	58.1	94 209	6.6	7.1	17.9	10.8	50.0	4.0	1.0
SBUX-US	Starbucks Corporation	USD	54.9	64.9	50.8	563 132	-6.6	-4.5	3.4	-1.1	124.3	10.5	1.2
SEV-FR	SUEZ SA	EUR	15.5	17.0	12.7	21 831	-4.7	3.5	10.9	10.5	79.8	19.4	0.8
TMO-US	Thermo Fisher Scientific Inc.	USD	191.3	194.3	139.1	277 343	5.7	25.7	26.1	35.6	217.4	4.3	1.1
VIE-FR	Veolia Environnement SA	EUR	20.0	20.2	15.0	41 692	3.1	17.1	1.8	23.7	136.8	4.0	0.8

* 6-month average, in thousand. Sources SGPB, FactSet. Data as of 13/10/2017.

THEMA #4 A NEW WORLD ORDER

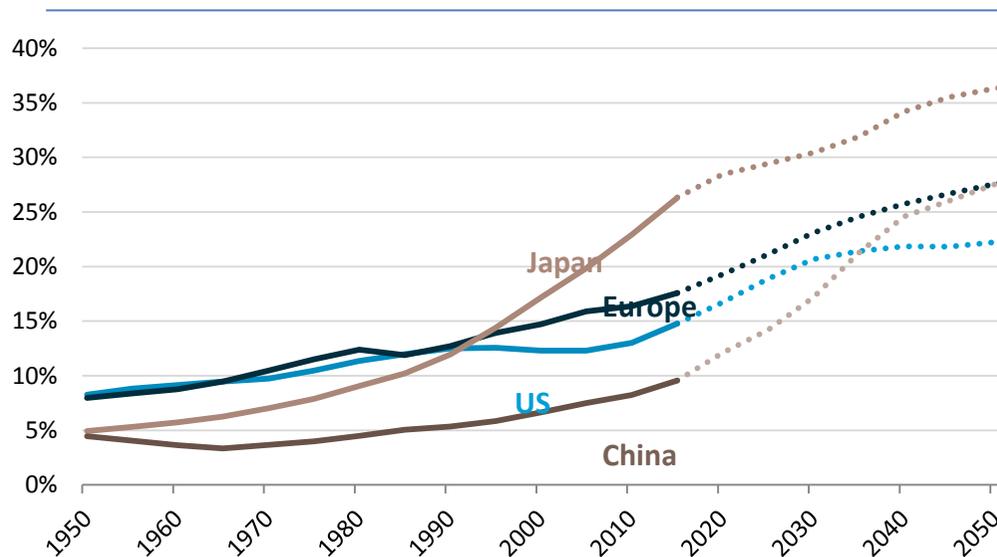
Demographics: How ageing will shape future spending? (1/3)

Population growth and ageing demographics generate investment opportunities in several sectors.

The population will stop growing in developed regions, but is expected to increase by almost 50% in less developed regions over 2015–50, underpinning demand in many sectors: food and beverages, household and personal products. The rise of the middle class will boost various technological, consumption and industrial sectors.

Another key trend shaping the demographic transition is population ageing. This dynamic will boost consumption: 1) the newly retired will be in good shape and active, supporting discretionary consumption of various products and services, 2) as these retirees age, they will spend more on healthcare products and services.

Share of 65+ as a % of population



Sources: SGPB, United Nations.

OUR EQUITY SELECTION*

Burberry	LVMH
Diageo	Pernod Ricard
Dollar General	Walt Disney
Dufry	
Expedia	
Home Depot	
Inditex	
Kering	

*Movements disclosed on slide 56

THEMA #4 A NEW WORLD ORDER

Demographics: How ageing will shape future spending? (2/3)

Our Selection (1/2)

Company	Exposure to the theme
Burberry	Burberry's combination of heritage and innovation should allow it to attract customers in all age categories. The brand is well perceived in Asia, where the middle-class is growing, but in the US it is weak, offering opportunities to improve the image. Burberry's portfolio allows customers to grow in the brand.
Diageo	Diageo's product portfolio allows it to reach both the younger and older consumers. Going forward a growing number of people will reach the legal drinking age and Diageo should be able to benefit from this through both its beer and spirits activities. Revenues are well-spread over developed and emerging markets.
Dollar General	Dollar General Corp is a US-based discount retailer, the largest small-box retailer by sales. The company has made multiple initiatives to increase traffic, including store remodelling, cooler expansion, category reset and improved affordability through price cuts. These efforts should continue driving market share and protect margins, given that new store growth is expected to improve in FY17.
Dufry	Switzerland-based Dufry is a global leader in travel retailing with operations in 63 countries. The company operates ~2 200 shops in airports, cruise liners, seaports and other tourists locations, offering brands through more than 1 000 suppliers. Through strategic acquisitions, Dufry has become a market leader in the duty-free retail space.
Expedia	Expedia is a pure-play online travel company with strong brand positioning in the US and Europe, as well as a solid foothold in Asia. It has a huge addressable global travel market with significant headroom for further growth. Expedia has been consistently investing to expand its brand portfolio internationally.

THEMA #4 A NEW WORLD ORDER

Demographics: How ageing will shape future spending? (3/3)

Our Selection (2/2)

Company	Exposure to the theme
Home Depot	US-based Home Depot is the world's largest home-improvement specialty retailer operating through 2 200+ retail stores in the US, Canada and Mexico. The company's focus on investing in improving its omni-channel offerings and supply-chain infrastructure, along with the increase in its professional contract customer base, should aid in revenue expansion.
Inditex	We are positive on Inditex given its wide geographic exposure and multi-format approach, low inventory model vs. peers and improving online offerings. Inditex continues to expand globally and has aggressively expanded in developing markets, which should propel growth and increase market share by converting new space to improved revenues.
Kering	The fashion content at Gucci, Kering's most important brand, is relatively high. Still, Gucci and the group's other brands feature some 'evergreens'. This balance and the group's offering at different price points in the luxury space should allow it to attract young customers and move them upmarket as they grow older.
LVMH	LVMH is present in all segments of the soft- and hard-luxury market. Through Moët Hennessy, it also has exposure to the premium wines and spirits market. Its different brands appeal to customers of all age. Accessories are an ideal way to attract young customers who can then be 'upgraded'.
Pernod Ricard	As its product portfolio is skewed towards higher-end spirits the growing graying population should prove beneficial to Pernod Ricard. With its entry-level brands the group reaches out to the younger population and subsequently tries to move these consumers upmarket. Pernod Ricard has great ambitions for Africa.
Walt Disney	Walt Disney has over time focused on expanding its global presence in theme parks and resorts, driven by increasing footfalls benefited by a steadily growing global population. In the near term, Disney's earnings is likely to benefit from the opening of Shanghai Disney Resort in 3Q16 and Avatar Land in May 2017.

THEMA #4 A NEW WORLD ORDER

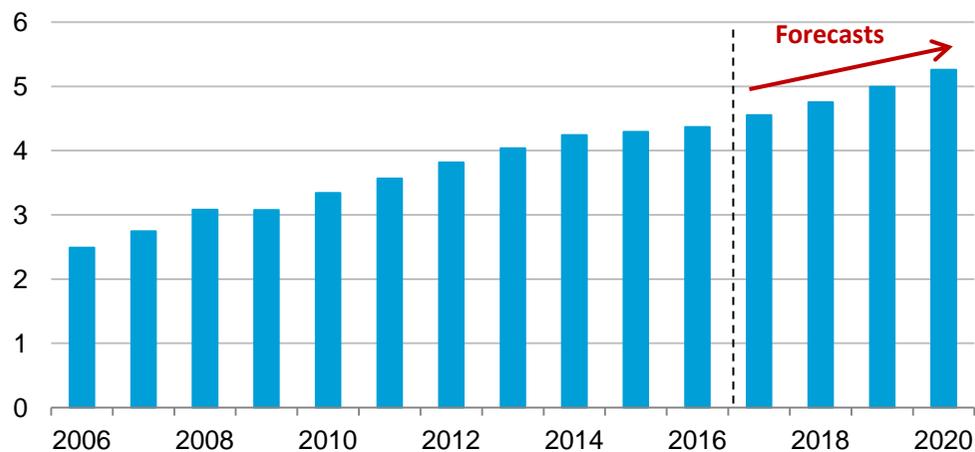
Infrastructure: Building the future (1/4)

Global [population growth and increased urbanisation](#) are the major drivers of higher infrastructure spending globally. Moreover, the momentum of infrastructure spendings have improved, following the emergence of the public-private partnership (PPP) models and greater participation from private entities to infrastructure projects.

At the country-level, China will be an infrastructure spending champion in Asia-Pacific through the [One Belt One Road \(OBOR\)](#) initiative. This initiative aims to connect countries located on the Silk Road Economic Belt and the 21st Century Maritime Silk Road to increase economic cooperation, boost regional trade and promote social and cultural cooperation. Overall OBOR targets to connect over 60 countries in Asia and Europe. In the US, [Donald Trump's plan to improve](#) the country's highways, bridges, tunnels, schools, airports, and hospitals, among others is seen as a major boost to the government's infrastructure spending. [Finally in Europe, the European Commission's Investment Plan should drive infrastructure spending in the member states.](#)

Overall, the prospects of higher infrastructure spending in these regions should benefit our selection of global infrastructure companies.

Global infrastructure spending on the rise (USD trn)



Sources: SGPB, PwC (2016 data)

OUR EQUITY SELECTION*

ABB	Saint-Gobain
ACS	Schneider Electric
Alstom	Vinci
CRH Plc	
Eiffage	
HeidelbergCement	
Ingersoll-Rand	
LafargeHolcim	
Rockwell Automation	

*Movements disclosed on slide 56

THEMA #4 A NEW WORLD ORDER

Infrastructure: Building the future (2/4)

Our Selection (1/3)

Company	Exposure to the theme
ABB	ABB is a global leader in power and automation technologies. We expect a strong automation demand from the US end-markets such as food and beverages and automotives. ABB should also benefit from power transmission-related capex and strong demand for discrete automation (mainly robotics) from automotive companies in China and India.
ACS	ACS derives 46% of its revenue from the US and caters to a number of end-markets, viz. healthcare, education, retail, transportation, entertainment and manufacturing. With its large footprint in the US, it is suitably positioned to capture large new projects under the potential Trump's infrastructure stimulus.
Alstom	Rapid urbanisation in emerging economies and the need to modernise ageing fleets in developed economies indicate a healthy demand outlook for the rail transport market. In our view, Alstom should outperform the market given its global reach, innovative product offerings and a robust order backlog of EUR 34.0 bn as of 1Q18, which brings revenue visibility for more than four years.
CRH	CRH derives majority of its revenues (~98% of FY16 revenue) from the US and Europe. The construction and infrastructure markets in these regions are expected to recover, driven by improving consumer sentiment and increased federal infrastructure spending. This should support the company's long-term top-line growth.
Eiffage	Eiffage is poised to benefit from the surge in contracting activity, driven by the strong order intake witnessed in Europe's metallic construction market and offshore wind farms. Being the third largest engineering and construction company in France, Eiffage is expected to bag government projects, along with the extension of the Grand Paris and Canal Seine Nord Europe projects.

THEMA #4 A NEW WORLD ORDER

Infrastructure: Building the future (3/4)

Our Selection (2/3)

Company	Exposure to the theme
Heidelberg Cement	HeidelbergCement has a higher exposure to developed markets (~71% of FY16 revenue), which should drive strong earnings growth for the company in the long term, supported by the increased infrastructure spending and continued construction recovery in these regions. Additionally, improvement in cement volumes in emerging markets such as Indonesia would bode well for its sales growth.
Ingersoll-Rand	Ingersoll-Rand provides a healthy exposure to the residential and non-residential construction end-markets (63% of FY16 revenues), with a majority of it derived from the US. Its brands such as Trane air conditioning equipment and Ingersoll Rand compressors should benefit from the increased construction spending in the US.
LafargeHolcim	LafargeHolcim has a strong presence in both developed (the US, Canada, Australia and Europe) and emerging (Latin America, Asia-Pacific, Middle East and Africa) markets. The buoyant demand in the emerging markets and strong construction recovery in developed markets should bode well for the long-term earnings growth.
Rockwell Automation	Rockwell is a pure-play on global industrial automation demand. It provides industrial automation power, control and information solutions to manufacturers. We expect Rockwell Automation to be a key beneficiary of increased infrastructure spending globally, given its diverse automation and control offerings, as well as safety solutions.

THEMA #4 A NEW WORLD ORDER

Infrastructure: Building the future (4/4)

Our Selection (3/3)

Company	Exposure to the theme
Saint-Gobain	<p>Saint-Gobain commands an industry leading position in building and high-performance materials, and flat glass. The recent industry data highlights a recovery in the US and European (in particular, key markets of France and Germany) residential and non-residential construction markets. This improvement should help the company to boost its earnings growth.</p>
Schneider Electric	<p>Schneider has a wide range of medium-voltage and grid-automation products and solutions catering to the infrastructure market. We expect the strong construction market in the US and an improvement in SU Building and Industry segment in Western Europe to counter the impact of lower O&G prices.</p>
Vinci	<p>Vinci is capturing an upturn in the French infrastructure projects, namely, motorway investment plan and residential property development with the extension of the Grand Paris and Canal Seine Nord Europe projects. It is also targeting new projects in buoyant markets outside France, such as underground storage, wastewater treatment plants and sewer networks and systems.</p>

THEMA #4 A NEW WORLD ORDER

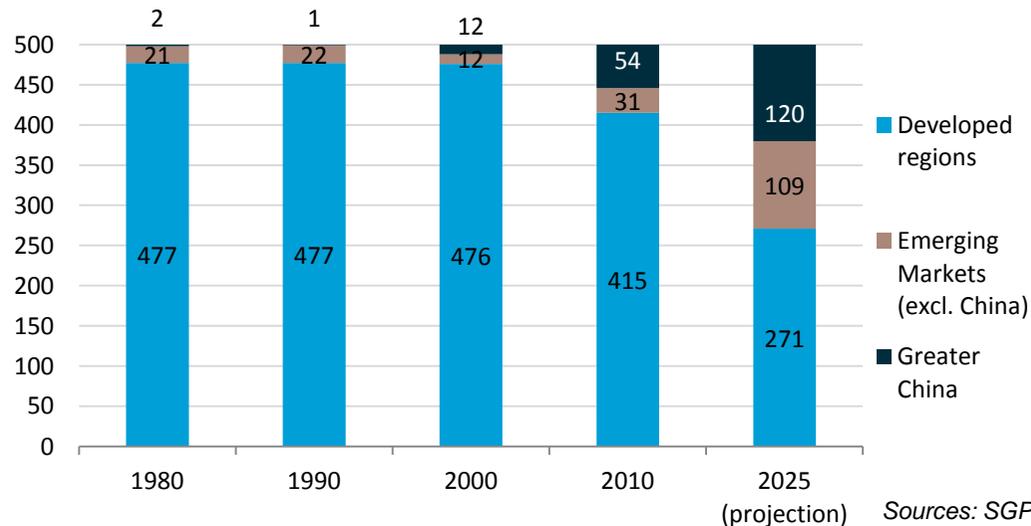
Emerging Challengers: Time to conquer the world (1/2)

The landscape of emerging market companies has evolved substantially over the years. Consumer oriented companies are transforming beyond cost-based advantages with an emphasis on product quality, superior services and stronger brand positioning.

Emerging markets' new challengers focus on the digital needs of an expanding middle class and their increasing spending power. A supportive regulatory framework has also helped emerging market companies in accommodating and developing disruptive technologies. Their fast-expanding domestic base is giving them more revenue visibility. By expanding internationally, they can improve their brand image and attract new talents, creating a positive feedback loop in their domestic market.

However, challengers face increased competition and overseas expansion, which is a costly affair for some emerging companies. Nevertheless, some emerging heavyweights are now better equipped to achieve global success, as many sectors now offer increased investment opportunities, larger addressable market and stronger growth.

Fortune Global 500 By Location (Number Of Companies)



OUR EQUITY SELECTION*

Alibaba
Checkpoint Software
Samsung Electronics
TSMC

*Movements disclosed on slide 56

THEMA #4 A NEW WORLD ORDER

Emerging Challengers: Time to conquer the world(2/2)

Our Selection

Company	Exposure to the theme
Alibaba Group	According to the China Internet Network Information Center (CINIC), China's online shopping penetration in June 2015 was 48.8% of its total internet users. Bain & Co estimates that Chinese e-commerce will grow to CNY 10 trn by 2020 from CNY 2.14 trn in 2014. In our view, Alibaba, being the sector leader, should be a key beneficiary of this growth.
Checkpoint Software	Being the largest pure player in network cyber security, we believe Checkpoint (CHKP) has strong growth prospects. While maintaining its leadership in traditional firewall and intrusion-prevention segments, CHKP has been focussing on expanding sales into mobile, IoT and data centrr security. This should allow it to gain market share, while retaining industry-leading margins.
Samsung Electronics	Samsung has a global leadership position in multiple consumer segments such as smartphones, memory and TVs, due to its technology expertise and continuous R&D investments. The company's solid balance sheet should allow it to maintain capex in new technologies and help in maintaining its leadership position in these segments in the future.
TSMC	As a global foundry leader, TSMC should benefit from the rising use of semiconductor content in electronic devices. The growing demand for high-end hardware specifications in mobile devices, as well as for enterprise-server computing and virtual-reality devices, should be a tailwind for TSMC's revenues in the medium term.

THEMA #4 A NEW WORLD ORDER

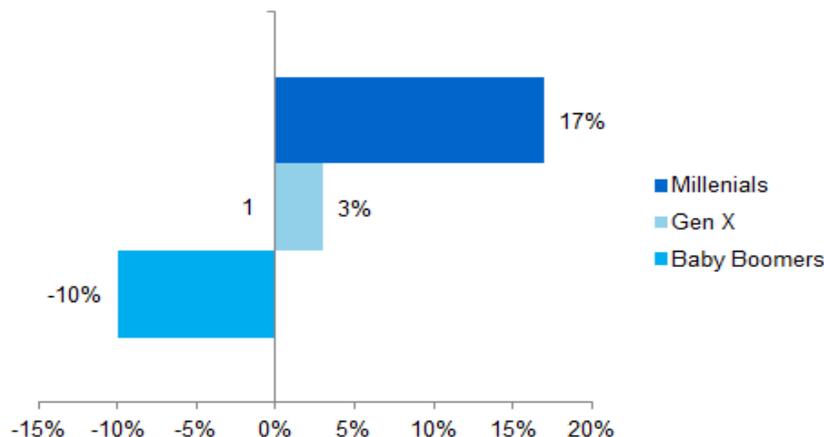
Millennials: Generation Y will become the main driver of consumption (1/5)

Millennials (Generation Y, Digital Generation and Echo Boomers) are the generation born approximately between 1980 and 2000. According to the United Nations, there are about **2 bn millennials** or **approximately one-third of the world population**, with **86% of them living in emerging countries**.

Generation Y **will become the main driver of consumption** in the following decades. This first generation of digital natives are reshaping consumer habits. Behavioural studies on millennials point to changing spending patterns. These tech-savvy customers are influenced by social networks, compare prices and do a lot of online shopping for products and services. In their extremely busy but connected world, they strive for an optimal work-life balance and in their free time they search for 'experiences'.

Convenience is a key word and as such, 'sharing' is becoming more important than 'owning'. Health awareness and environmental consciousness with millennials is much higher than the previous generations. Moreover, Generation Y has high ethical and social standards. Overall, many business activities will be disrupted in the coming years. **Companies that anticipate and/or adapt quickly to these new consumer trends will be the main beneficiaries of millennials' growing spending power**. This will create **investment opportunities in sectors such as technology, consumer goods and services** (hotel and leisure, gaming and social media, among others), **health and wellness, education and financials** for example .

Cumulative Change in Spending over the Next Five Years



Sources: SGPB, FactSet, (July 2017)

OUR EQUITY SELECTION*

Accor	Nike
Amazon	PayPal International
AB Inbev	PepsiCo
Apple	ProSiebenSat1
Coca-Cola	Samsung Electronics
Dufry	Synchrony Financial
Expedia	Tencent HLDGS LTD
Facebook	Vivendi SA
Marriott International	Wirecard AG
Metro	

*Movements disclosed on slide 56

THEMA #4 A NEW WORLD ORDER

Millennials: Generation Y will become the main driver of consumption (2/5)

Our Selection (1/4)

Company	Exposure to the theme
Accor	Accor's properties range across the upscale/luxury, midscale and economy hotel segments, which allow travellers to choose from a wide variety of well-known brands. In order to adapt itself to preferences of the millennials, the company has also ventured into the vacation rentals business through the acquisition of Onefinestay, Squarebreak and Oasis Collections.
Amazon	Amazon has become the most preferred online shopping destination among millennials, given the shift from brick and mortar and increased penetration of mobile/ecommerce growth. The company has strong customer loyalty programs such as Prime Day, which offers huge discounts to attract more customers (dominated by millennials). This, in our view, should further support the company's growth trajectory.
AB Inbev	Reaching the legal drinking age, consumers tend to favour beer over spirits. AB Inbev's offering goes from 'simple' lagers to more sophisticated beers. Moreover, the group intends to significantly expand its low or no-alcohol beer volumes, appealing to a broader spectrum of customers (young, old, male and female) and creating more beer-drinking occasions.
Apple	Apple's products fall under the aspirational category for the youth. Given its strong brand value and consumer connect, we believe the demand for iPhones and other devices such as Mac would remain strong in the coming years.
Coca-Cola	Younger people are soft drink producers' most important target clients. Yet, their tastes and preferences have changed over the past few years. Coca-Cola is adapting to this new environment, offering low- or no-calorie alternatives, innovating on packaging and advertising, etc. The group is putting a lot of effort connecting with the millennial generation.
Dufry	Millennials are becoming an important audience for the tourism industry. Dufry is a global leader in travel retailing with operations in 63 countries, offering personalised shopping experience such as reserve and collect. The company operates ~2 200 shops in airports, cruise liners, seaports and other tourist locations, offering brands through more than 1 000 suppliers.

THEMA #4 A NEW WORLD ORDER

Millennials: Generation Y will become the main driver of consumption (3/5)

Our Selection (2/4)

Company	Exposure to the theme
Expedia	Expedia is a pure-play online travel company with a strong brand positioning in the US and Europe, as well as a solid foothold in Asia. The ongoing migration of travel bookings from traditional agencies to online/mobile platforms should support Expedia's revenue growth over the long term. Given the deal savvy nature of millennials, Expedia offers exclusive discounts and personalised packages to increase its market share.
Facebook	Social media is highly popular amongst the millennials with ~60% of the overall Facebook users falling under this category (source: statista.com). The category is the most active users of Facebook and advertisers customise their ad campaigns to the taste and preferences of this segment to ensure higher consumption of the ad campaign, which in turn translates into higher sales.
Marriott International	Marriott is the largest hotel group with ~1.2 mn rooms (as of FY16) and the higher spending of millennial travellers should drive its fees revenue in the long term. The company is also expanding its portfolio to include apartment-styled suites under the Element in order to improve Marriott's appeal to the younger generation.
Metro	Metro's venture into the foodservice market to capture the opportunities created by the millennial eating out trend is impressive. Its recent acquisitions of foodservice distributors in France (Pro à Pro), Germany (RUNGIS express), Asia (Classic Fine Foods with footprint in 25 Asian countries) and Spain (Midban), enhances its local appeal. These businesses have an excellent market position in their respective regions and should strengthen METRO's exposure to hotels, restaurants and catering (HoReCa), providing transparency to revenue growth and margin expansion.
Nike	Sports is an integral part of the younger generation's lives. Even at recreational level, today's customers train with the appropriate gear. Nike is the world leader in athletic footwear and apparel, focusing on performance equipment. The group is developing its direct-to-consumer channel in an effort to better reach the online shoppers.

THEMA #4 A NEW WORLD ORDER

Millennials: Generation Y will become the main driver of consumption (4/5)

Our Selection (3/4)

Company	Exposure to the theme
PayPal International	PayPal is well-positioned in the epayment space and has gained a strong market share with a customer base of ~210 mn active user accounts and 17 mn active merchant accounts. PayPal's platform enables digital and mobile payments on behalf of consumers and merchants. Its payment capability solutions include PayPal, PayPal Credit, Braintree, Venmo and Xoom, which are widely used by the millennials.
PepsiCo	PepsiCo is active in both soft drinks and snacks, two activities in which it can win millennial customers. Its drinks business is tilted more towards non-carbonated soft drinks than its main rival's. Connecting with the millennials customer is a challenge and PepsiCo is putting a lot of effort in it, introducing new favours etc.
ProSiebenSat1	PSM continues to increase its presence in the Digital segment, led by over-the-top (OTT) and VOD services, which are addressing the shift in consumer pattern from TV to online viewing, driven largely by the millennial generation. PSM has used the cash flow from its Broadcasting business to fund its Digital growth. With the duopolistic structure of German FTA broadcasting, PSM is ensured stable revenue growth and a high EBITDA margin (34.4% in FY16).
Samsung Electronics	As of 2Q17, Samsung held a 23.3% market share in the global smartphone market. Given its large portfolio of mobile products, we expect Samsung to benefit from the growing adoption of mid- and high-end smartphones by millennials. It has been working towards strengthening its portfolio of products and services, focussing on millennials, which include wearable technology, virtual reality devices and mobile payments (Samsung Pay).

THEMA #4 A NEW WORLD ORDER

Millennials: Generation Y will become the main driver of consumption (5/5)

Our Selection (4/4)

Company	Exposure to the theme
Synchrony Financial	As per the BI Intelligence “Payments Briefing” report, consumer awareness regarding point-of-sale financing options (store cards, monthly payment plans) has increased to 78% in 2016 from 51% in 2015. In its survey, 60% of millennials said that they’re more likely to return to a retailer where they have a store (private-label) card. Synchrony Financial, being the largest provider of private-label credit cards is likely to benefit from this trend in terms of purchase volume and receivables growth.
Tencent HLDGS LTD	Tencent is the leader in the Chinese gaming segment and is highly popular within the millennial users. Also, its social media platform is highly popular within the Chinese speaking millennials.
Vivendi SA	Vivendi’s Universal Music Group segment is likely to benefit from the rapidly growing streaming music consumption by millennials. At the same time, it is expanding as an integrated media group and is strengthening its presence in southern Europe. The company is pursuing organic growth, bolt-on acquisitions and equity stake purchases (Telecom Italia, Gameloft, Ubisoft, Groupe Fnac, Mediaset) to strengthen its media content offerings as well as distribution depth and reach.
Wirecard	Wirecard holds a strong presence across multiple channels (online, offline and m-commerce), which helps in strengthening its user base and gain market share. In our view, fast growing cashless transactions at global level should create solid growth opportunities for the company.

THEMA #4 A NEW WORLD ORDER

Millennials: Valuation & Market Data (1/2)

DESCRIPTION			VALUATION									GROWTH				PROFITABILITY	
FactSet	Company	Cap (m€)	SGPB (e) *			EV/Sales (e)		P/E (e)			Div.Yield	Sales Growth		EPS Growth		OpM**	ROE
			RATING	TP	CRY	FY1x	FY2x	FY1x	FY2x	10Yx		FY1%	FY2%	FY1%	FY2%		
AC-FR	Accor SA	12 451	BUY	46.0	EUR	5.5	4.9	43.1	32.6	55.4	1.4	-56.2	9.6	-45.2	27.8	26.9	5.1
AMZN-US	Amazon.com, Inc.	407 074	BUY	1 100.0	USD	2.8	2.2	269.1	125.7	204.2	0.0	24.2	22.5	-23.5	122.7	10.8	7.7
ABI-BE	Anheuser-Busch InBev SA/NV	205 266	BUY	125.0	EUR	5.5	5.2	29.2	24.6	30.9	3.1	11.6	3.3	34.8	18.6	38.5	11.9
AAPL-US	Apple Inc.	685 133	BUY	172.0	USD	2.9	2.4	17.5	14.3	20.8	1.5	5.5	15.6	8.3	22.1	31.2	35.0
KO-US	Coca-Cola Company	166 424	BUY	48.0	USD	6.4	7.3	24.3	23.3	21.4	3.1	-16.5	-11.8	-0.5	4.2	31.1	40.6
DUFN-CH	Dufry AG	7 340	NEUTRAL	160.0	CHF	1.4	1.3	18.7	15.7	284.3	0.5	5.3	4.9	39.7	22.9	12.4	14.2
EXPE-US	Expedia, Inc.	19 232	BUY	170.0	USD	2.3	1.9	30.0	22.9	29.9	0.8	16.1	13.7	11.5	31.8	17.9	16.2
FB-US	Facebook, Inc. Class A	426 323	BUY	197.0	USD	11.9	8.9	32.6	26.8	587.6	0.0	na	29.8	na	23.9	63.8	20.7
MAR-US	Marriott International, Inc. Class A	36 221	BUY	122.0	USD	2.2	2.1	27.9	24.4	28.5	1.1	32.4	4.7	12.8	14.0	14.0	na
B4B-DE	METRO AG	6 260	BUY	19.5	EUR	0.3	0.2	12.2	11.8	na	4.0	na	2.1	na	2.3	4.9	15.8
NKE-US	NIKE, Inc. Class B	70 768	BUY	59.0	USD	2.3	2.2	21.9	19.1	22.0	1.5	4.2	6.8	-7.8	14.5	15.1	32.0
PYPL-US	PayPal Holdings Inc	69 754	BUY	65.0	USD	6.0	4.9	37.4	31.0	35.3	0.0	18.5	18.1	22.4	20.3	26.2	13.8
PEP-US	PepsiCo, Inc.	135 323	BUY	125.0	USD	2.9	2.8	21.6	20.1	19.8	2.8	1.0	3.6	7.8	7.1	20.7	55.8
PSM-DE	ProSiebenSat.1 Media SE	6 455	NEUTRAL	32.0	EUR	2.1	1.9	12.8	12.2	21.3	6.5	7.9	4.6	-2.3	7.0	25.0	36.8
SMSN-GB	Samsung Electronics Co., Ltd. GDR RegS	241 382	BUY	1 260.0	USD	1.3	1.1	9.2	7.7	10.3	1.3	23.5	9.3	90.2	18.3	32.0	19.5
SYF-US	Synchrony Financial	20 711	BUY	34.0	USD	2.9	2.6	11.9	9.6	11.9	1.8	12.0	6.9	-4.1	24.6	26.8	13.9
700-HK	Tencent Holdings Ltd.	358 969	BUY	375.0	HKD	12.0	8.7	44.6	35.5	39.7	0.2	60.6	34.4	58.0	26.4	38.7	27.2
VIV-FR	Vivendi SA	26 612	BUY	21.0	EUR	2.3	2.0	26.9	20.4	28.3	2.1	17.1	13.3	34.5	34.7	12.0	5.2
WDI-DE	Wirecard AG	10 037	BUY	85.0	EUR	7.0	5.5	37.8	29.3	28.0	0.2	34.9	26.0	46.9	32.4	29.1	15.7
		Average				4.2	3.6	38.3	26.7	82.2	1.7	11.9	11.4	16.7	25.0	25.1	21.5

* SGPB recommendation as of 13-10-2017. **EBITDA Margin. FY1 Current Unrealised Year, FY2 Next Year. Sources: SGPB, FactSet.

THEMA #4 A NEW WORLD ORDER

Millennials: Valuation & Market Data (2/2)

FactSet	Company	CCY	Price	52 WEEK		Avg Daily Turnover*	PERFORMANCE (%)					RISK	
				High	Low		3m	6m	12m	YTD	5y	Volatility	Beta
AC-FR	Accor SA	EUR	43.3	43.7	32.1	39 514	4.1	10.2	30.5	22.2	71.2	38.7	1.1
AMZN-US	Amazon.com, Inc.	USD	1 000.9	1 083.3	710.1	3 612 341	-0.6	11.7	20.0	33.5	313.0	22.3	1.3
ABI-BE	Anheuser-Busch InBev SA/NV	EUR	106.3	117.7	92.1	138 796	7.0	2.9	-9.3	5.7	56.7	17.6	1.1
AAPL-US	Apple Inc.	USD	156.0	164.9	104.1	4 404 941	7.0	10.0	32.9	34.7	73.4	19.7	0.8
KO-US	Coca-Cola Company	USD	46.6	47.0	39.9	521 134	4.3	9.0	11.9	12.4	23.0	9.0	0.4
DUFN-CH	Dufry AG	CHF	156.7	172.6	117.0	38 083	-1.3	2.5	27.1	23.4	39.0	19.5	0.5
EXPE-US	Expedia, Inc.	USD	148.0	161.0	111.9	282 656	-2.9	14.5	24.6	30.6	172.8	22.0	0.7
FB-US	Facebook, Inc. Class A	USD	172.6	175.5	113.6	2 772 559	na	na	na	na	na	na	1.3
MAR-US	Marriott International, Inc. Class A	USD	114.5	114.9	65.9	269 462	13.6	24.8	71.1	38.4	na	59.0	1.0
B4B-DE	METRO AG	EUR	17.3	20.1	16.0	23 031	na	na	na	na	na	na	1.4
NKE-US	NIKE, Inc. Class B	USD	57.8	60.3	49.0	577 680	2.8	7.7	-0.1	13.7	149.2	1.9	0.9
PYPL-US	PayPal Holdings Inc	USD	68.9	69.0	38.1	468 869	21.8	62.1	74.2	74.5	na	37.5	1.1
PEP-US	PepsiCo, Inc.	USD	113.6	119.4	98.5	459 302	-1.2	0.8	6.3	8.5	na	0.6	0.1
PSM-DE	ProSiebenSat.1 Media SE	EUR	30.0	41.8	27.3	45 627	-11.4	-27.2	-21.8	-18.0	42.4	5.6	1.1
SMSN-GB	Samsung Electronics Co., Ltd. GDR RegS	USD	1 211.0	1 224.0	592.6	24 137	9.8	31.1	78.6	62.1	108.4	39.4	1.0
SYF-US	Synchrony Financial	USD	30.6	38.1	26.0	245 903	4.5	-6.6	15.6	-15.5	na	23.8	1.7
700-HK	Tencent Holdings Ltd.	HKD	350.2	353.8	179.6	6 087 245	24.5	51.6	64.1	84.6	523.9	11.3	1.2
VIV-FR	Vivendi SA	EUR	21.4	21.6	16.0	75 730	6.9	19.2	17.5	18.8	47.9	23.6	1.1
WDI-DE	Wirecard AG	EUR	80.8	81.0	38.6	27 310	23.8	51.3	83.7	97.5	358.3	56.7	0.4

* 6-month average, in thousand. Sources SGPB, FactSet. Data as of 13/10/2017.

THEMA #4 A NEW WORLD ORDER

Valuation & Market Data (1/2)

DESCRIPTION			VALUATION									GROWTH				PROFITABILITY	
FactSet	Company	Cap (m€)	SGPB (e) *			EV/Sales (e)		P/E (e)			Div.Yield	Sales Growth		EPS Growth		OpM**	ROE
			RATING	TP	CRY	FY1x	FY2x	FY1x	FY2x	10Yx	FY1%	FY1%	FY2%	FY1%	FY2%	FY1%	FY1%
ABBN-CH	ABB Ltd.	46 426	BUY	25.4	CHF	1.6	1.5	20.6	18.0	18.7	3.2	-0.4	5.1	6.9	16.9	14.6	19.0
ACS-ES	Actividades de Construccion y Servicios SA	9 654	BUY	40.0	EUR	0.3	0.3	12.9	11.9	10.6	3.8	8.1	5.2	3.0	6.8	6.4	18.5
BABA-US	Alibaba Group Holding Ltd. Sponsored ADR	381 365	BUY	196.0	USD	12.1	8.7	36.2	27.2	36.2	0.0	55.8	34.3	44.6	35.4	45.8	22.3
ALO-FR	Alstom SA	7 866	NEUTRAL	38.5	EUR	1.0	1.0	22.6	20.6	18.3	1.2	5.7	5.3	23.5	9.9	8.0	9.0
BRBY-GB	Burberry Group plc	9 084	BUY	18.6	GBP	2.6	2.5	23.7	21.1	23.8	2.1	0.0	2.0	2.6	12.7	21.7	21.0
CHKP-US	Check Point Software Technologies Ltd.	16 451	BUY	125.0	USD	8.3	7.6	23.0	21.0	18.9	0.0	7.7	6.8	10.0	9.1	55.1	23.5
SGO-FR	Compagnie de Saint-Gobain SA	27 608	BUY	55.0	EUR	0.8	0.8	17.0	14.6	24.7	2.6	4.0	3.9	17.4	16.4	10.5	8.4
CRG-IE	CRH Plc	25 930	BUY	36.0	EUR	1.1	1.0	18.1	16.1	19.7	2.2	2.4	-3.2	10.9	13.8	11.9	9.4
DGE-GB	Diageo plc	72 001	BUY	26.5	GBP	5.8	5.6	21.9	20.1	18.7	2.6	3.5	4.6	8.0	9.1	34.6	28.9
DG-US	Dollar General Corporation	19 131	BUY	85.0	USD	1.1	1.0	18.3	16.6	18.2	1.3	6.5	7.8	1.6	11.1	10.5	20.5
DUFN-CH	Dufry AG	7 340	NEUTRAL	160.0	CHF	1.4	1.3	18.7	15.7	284.3	0.5	5.3	4.9	39.7	22.9	12.4	14.2
FGR-FR	Eiffage SA	8 377	BUY	92.0	EUR	1.3	1.2	17.4	15.0	13.1	2.1	5.5	3.2	17.5	13.8	17.0	11.8
EXPE-US	Expedia, Inc.	19 232	BUY	170.0	USD	2.3	1.9	30.0	22.9	29.9	0.8	16.1	13.7	11.5	31.8	17.9	16.2
HEI-DE	HeidelbergCement AG	17 002	BUY	94.0	EUR	1.5	1.4	14.9	12.1	30.7	2.4	15.4	3.6	30.2	20.3	18.8	6.9
HD-US	Home Depot, Inc.	163 813	BUY	173.0	USD	2.2	2.1	22.5	19.9	18.8	2.2	5.5	5.0	13.4	12.8	16.6	333.9
ITX-ES	Industria de Diseno Textil, S.A.	97 085	BUY	40.0	EUR	3.5	3.2	28.0	25.1	24.8	2.4	10.1	9.9	8.9	11.4	21.5	24.9
IR-US	Ingersoll-Rand Plc	19 572	BUY	98.0	USD	1.8	1.7	20.2	17.7	20.5	1.8	4.5	4.3	10.2	13.2	14.9	17.9
KER-FR	Kering SA	45 125	NEUTRAL	325.0	EUR	3.3	3.0	24.9	21.9	52.1	1.6	20.1	7.5	42.7	15.3	20.9	14.7
LHN-CH	LafargeHolcim Ltd.	30 045	NEUTRAL	60.0	CHF	1.8	1.7	17.5	14.9	21.2	3.7	-3.4	4.7	17.2	19.3	22.7	6.2
MC-FR	LVMH Moet Hennessy Louis Vuitton SE	121 378	BUY	235.0	EUR	3.1	2.9	24.9	22.6	18.5	1.9	12.4	6.1	23.0	10.3	24.3	16.9
RI-FR	Pernod Ricard SA	32 135	BUY	125.0	EUR	4.3	4.1	21.3	19.8	20.0	1.7	-0.5	4.3	1.7	7.7	29.2	10.0
ROK-US	Rockwell Automation, Inc.	20 159	NEUTRAL	166.0	USD	3.9	3.6	27.4	25.5	17.6	1.6	7.3	5.5	13.9	8.1	21.5	41.1
SMSN-GB	Samsung Electronics Co., Ltd. GDR RegS	241 382	BUY	1 260.0	USD	1.3	1.1	9.2	7.7	10.3	1.3	23.5	9.3	90.2	18.3	32.0	19.5
SU-FR	Schneider Electric SE	40 899	BUY	77.0	EUR	1.9	1.9	18.7	16.9	16.6	2.9	0.5	2.9	13.3	11.4	16.2	10.5
2330-TW	Taiwan Semiconductor Manufacturing Co., Ltd.	172 509	NEUTRAL	225.0	TWD	5.9	5.1	18.1	16.1	14.1	3.1	2.8	11.5	1.8	12.6	65.8	22.0
DG-FR	VINCI SA	44 979	BUY	85.0	EUR	1.6	1.5	17.0	15.8	12.7	2.9	3.8	2.5	11.7	7.5	16.4	15.1
DIS-US	Walt Disney Company	126 994	BUY	120.0	USD	3.2	3.0	16.8	15.2	16.9	1.6	0.2	6.1	0.7	11.2	31.0	22.6
		Average				2.9	2.6	20.8	18.2	30.7	2.0	8.2	6.5	17.6	14.4	22.9	29.1

*SGPB recommendation as of 13-10-2017. **EBITDA Margin. FY1 Current Unrealised Year, FY2 Next Year. Sources: SGPB, FactSet.

THEMA #4 A NEW WORLD ORDER

Valuation & Market Data (2/2)

FactSet	Company	CCY	Price	52 WEEK		Avg Daily Turnover*	PERFORMANCE (%)					RISK	
				High	Low		3m	6m	12m	YTD	5y	Volatility	Beta
ABBN-CH	ABB Ltd.	CHF	24.3	24.9	19.7	132 160	0.7	5.7	9.7	13.1	35.8	12.7	1.0
ACS-ES	Actividades de Construcción y Servicios S	EUR	31.1	36.8	25.9	39 102	-9.9	-5.7	18.0	3.6	83.2	18.7	0.8
BABA-US	Alibaba Group Holding Ltd. Sponsored AD	USD	180.5	184.7	86.0	2 658 077	21.2	63.2	74.2	105.6	na	19.0	0.3
ALO-FR	Alstom SA	EUR	35.5	36.5	23.5	25 385	12.3	30.5	51.0	35.6	30.9	47.9	1.2
BRBY-GB	Burberry Group plc	GBP	16.5	18.8	12.3	32 208	-6.3	3.7	30.9	10.4	38.1	36.6	1.7
CHKP-US	Check Point Software Technologies Ltd.	USD	117.8	118.2	75.4	108 399	2.9	13.2	53.4	39.4	155.7	40.7	0.4
SGO-FR	Compagnie de Saint-Gobain SA	EUR	50.2	52.4	38.0	82 744	4.5	8.6	32.8	13.4	88.9	25.5	1.4
CRG-IE	CRH Plc	EUR	31.0	34.9	28.2	38 520	-2.6	-2.5	6.5	-5.9	123.7	10.9	1.4
DGE-GB	Diageo plc	GBP	22.9	24.1	19.5	91 552	-0.2	7.6	9.3	8.7	36.2	0.8	1.2
DG-US	Dollar General Corporation	USD	82.2	82.8	66.0	232 008	17.9	19.2	19.0	10.9	66.9	12.9	1.3
DUFN-CH	Dufry AG	CHF	156.7	172.6	117.0	38 083	-1.3	2.5	27.1	23.4	39.0	19.5	0.5
FGR-FR	Eiffage SA	EUR	87.0	89.8	60.1	25 194	6.1	19.9	31.9	31.3	234.9	7.7	0.9
EXPE-US	Expedia, Inc.	USD	148.0	161.0	111.9	282 656	-2.9	14.5	24.6	30.6	172.8	22.0	0.7
HEI-DE	HeidelbergCement AG	EUR	85.7	94.6	76.9	52 083	-1.3	-1.1	2.8	-3.3	116.1	19.4	0.8
HD-US	Home Depot, Inc.	USD	164.6	166.6	119.2	794 132	7.9	12.3	29.9	22.8	176.3	18.4	1.0
ITX-ES	Industria de Diseno Textil, S.A.	EUR	31.4	36.9	29.8	186 361	-7.1	-7.4	-2.4	-3.2	61.4	3.8	0.7
IR-US	Ingersoll-Rand Plc	USD	91.4	94.4	63.9	155 652	-2.3	11.0	38.6	21.8	158.4	12.6	1.3
KER-FR	Kering SA	EUR	309.4	313.1	153.2	57 441	23.4	37.6	102.0	45.0	188.8	78.0	1.1
LHN-CH	LafargeHolcim Ltd.	CHF	57.2	60.8	49.9	110 534	0.5	-1.1	15.1	6.6	-5.0	16.0	0.9
MC-FR	LVMH Moet Hennessy Louis Vuitton SE	EUR	222.4	239.7	138.5	136 348	6.6	19.0	58.8	22.6	108.7	53.0	1.1
RI-FR	Pernod Ricard SA	EUR	117.7	124.5	95.7	45 642	3.0	11.8	17.9	14.3	40.6	19.5	0.6
ROK-US	Rockwell Automation, Inc.	USD	184.5	185.3	115.1	136 295	11.3	22.8	58.7	37.3	164.6	34.3	1.7
SMSN-GB	Samsung Electronics Co., Ltd. GDR RegS	USD	1 211.0	1 224.0	592.6	24 137	9.8	31.1	78.6	62.1	108.4	39.4	1.0
SU-FR	Schneider Electric SE	EUR	73.2	74.7	58.1	94 209	6.6	7.1	17.9	10.8	50.0	4.0	1.0
2330-TW	Taiwan Semiconductor Manufacturing Co.	TWD	237.5	237.5	178.0	5 316 828	12.8	24.3	25.3	30.9	175.2	8.1	1.2
DG-FR	VINCI SA	EUR	80.6	81.3	49.9	96 796	3.4	9.1	22.9	24.6	140.1	5.9	0.9
DIS-US	Walt Disney Company	USD	96.9	116.1	90.3	862 600	-7.1	-14.3	6.0	-7.0	91.6	14.2	1.3

* 6-month average, in thousand. Sources SGPB, FactSet. Data as of 13/10/2017.

#5 PERFORMANCES & BASKET CHANGES

Performances (1/2)

	Performances (12/07/2017 - 12/10/2017)		
	Absolute Return	Benchmarks return ¹	Relative Gross return
European Recovery Portfolio (USD)	9.54%	5.59% ²	3.95%
Security First Portfolio (USD)	10.63%	0.30%	10.33%
Robotics Portfolio (USD)	6.41%	na	-
Internet of things Portfolio (USD)	8.52%	7.90%	0.62%
Blue Gold Portfolio (EUR)	-1.18%	0.80%	-1.98%
Climate Change Portfolio (USD)	7.21%	7.40%	-0.19%
Sustainable food Portfolio (EUR)	-5.10%	-0.80%	-4.30%
Demographics Portfolio (USD)	8.76%	2.10%	6.66%
Infrastructure Portfolio (USD)	5.61%	na	-
Emerging Challengers Portfolio (USD)	11.93%	10.10%	1.83%
Millenials Portfolio (USD)	7.50%	4.20%	3.30%

1: Benchmark as defined by PRIV Strategy Team

2: Composite Benchmark defined as 55% of MSCI Europe Banks and 45% of MSCI Europe CD

na: None applicable

#5 PERFORMANCES & BASKET CHANGES

Basket Changes (2/2)

Basket Changes (from Q3 to Q4)			
Scarce Resources		A New World Order	
Addition	Deletion	Addition	Deletion
<i>Danone</i>		<i>Accor</i>	<i>Richemont</i>
<i>Engie</i>		<i>Dufry</i>	
<i>Metro</i>		<i>HeidelbergCement</i>	
<i>Royal DSM</i>		<i>Metro</i>	

Source: SGPB

Financial Terms And Acronyms

BV (Book Value): is the total value of net assets of a company.

BV/S (Book Value Per Share): is the total value of the net assets of a company divided by the total number of outstanding shares.

C/I (Cost Income Ratio): is used for valuing banks. It shows a company's costs in relation to its income.

CAGR (Compound Annual Growth Rate): is a term used for the geometric progression ratio that provides a constant rate of return over a specific time period.

CAPEX (Capital Expenditure): is the fund used by the company to acquire or upgrade the physical assets such as property, industrial buildings or equipment. The most capital intensive industries include oil, telecom and utilities.

CAR (Capital Adequacy Ratio): is a measure of a bank's capital. It is expressed as a percentage of a bank's risk-weighted credit exposures.

CET I (Common Equity Tier I Ratio) : is a measure of the bank's common equity capital as a percentage of risk-weighted assets. It is generally compared to a defined benchmark stipulated by the regulatory authority to determine whether a bank is sufficiently capitalised.

COMBINED RATIO: It represents the total of acquisition and administrative expenses, and claims and insurance benefits incurred, divided by net premiums earned.

DIVIDEND YIELD: Dividend per share (total dividend paid out divided by the total number of shares) expressed as a percentage of current stock price.

EBIT (Earnings Before Interest and Taxes): profit before taking into account interest payments and income taxes.

EBIT Margin: Ratio that expresses EBIT as a percentage of total sales (EBIT/Sales*100)

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): profit before taking into account interest payments, income taxes and non-cash operating expenses (depreciation and amortisation).

EPS (Earnings Per Share): is the division of total net profit by the number of shares.

EQUITY is the difference between the value of the assets and the cost of the liabilities.

EV (Enterprise Value) is a measure of a company's value, often used as an alternative to straightforward market capitalisation. It is calculated as (market cap + debt + minority interest + preferred shares) – total cash – cash equivalents.

FCF (Free Cash Flow): represents the difference between operating cash flow and capital expenditures.

FFO (Funds from Operations): measures a REIT's operating performance. It is net income plus gains (minus losses) from property sale and purchase. FFO per share is often used in place of earnings per share when analysing REITs.

FY0: Realised year, **FY1:** Current unrealised year, **FY2:** next year

GOODWILL: is an intangible asset that arises as a result of the acquisition of one company by another company for a premium value.

GROSS INCOME: gross profit calculated as a company's total sales minus its cost of goods sold (COGS) that corresponds to labour and production costs.

GROSS MARGIN: expresses gross income as a percentage of total sales.

LIKE FOR LIKE (LFL) GROWTH: is a measure of growth in sales, adjusted for new or divested businesses.

Loan-to-deposit (L/D) ratio: Loans/Deposits. This helps in assessing a bank's liquidity, lending capacity and balance sheet quality.

LTV (Loan-To-Value Ratio): is a financial term used to express the ratio of a loan to the value of an asset purchased.

NAV (Net Asset Value): is similar to book value and is also called per investment unit. NAV is the marked-to-market value of the company's property investments less liabilities.

ND (Net Debt): is calculated as a company's total debt minus cash and other similar liquid assets.

NET MARGIN: is a financial ratio which measures the profitability of the net income of a company.

NI (Net Income or Bottom Line): represents a company's total earnings (or profit) which is calculated by adjusting revenues for the costs, depreciation, interest, taxes and other expenses.

NIM: Net Interest Margin

NON-PERFORMING LOANS (NPL) RATIO: NPLs/Loans. This indicates the percentage of the loans that are non-performing or are in stressed segments.

OPERATING MARGIN: See definition of EBIT Margin.

ORGANIC GROWTH: is the growth rate that a company can achieve by increasing its output and enhancing sales, excluding any profits or growth from takeovers or M&A activities.

P/E or PER (Price Earnings Ratio): reflects the trading price of a share in relation to the expected earnings.

P/BV (Price To Book Value): expresses the share price with regard to the accounting value of the company.

PAYOUT RATIO: is the proportion of earnings paid out as dividends to shareholders and typically expressed as a percentage.

PROFIT WARNING: is the announcement made by the company before its earnings release indicating the investors that its earnings would not meet the analysts' expectations.

RWA (Risk Weighted Assets): is a measure of the bank's assets, weighted according to their risk. It involves the risk weighting of both on and off-balance-sheet exposures.

REVENUE GROWTH: Illustrates the growth of sales over a given period.

ROA (Return on assets): a financial ratio that is calculated as net income divided by total assets and shows how profitable a company is relative to its total assets.

ROC (Return on invested capital): a profitability ratio which is calculated as net income minus dividends divided by total invested capital.

ROE (Return On Equity): The amount of net income returned as a percentage of shareholders' equity. Return on equity measures a corporation's profitability by disclosing how much profit a company generates with the money shareholders have invested.

TBV (Tangible Book Value): is the book value excluding intangible assets.

TBV/S (Tangible Book Value Per Share): allows to estimate the accounting value of a company by measuring its stockholders' equity per share. Formula: Re-valued Net Assets/Total Shares of Company.

WACC (Weighted Average Cost of Capital): also referred to as the firm's cost of capital, it is the rate that a company is expected to pay on an average to all its security holders to finance its assets.

WORKING CAPITAL: is the difference between a company's current assets and current liabilities and shows whether the company has sufficient short-term assets to cover its short-term debts.

Appendix

Investment Rating Definitions:

- Buy** Stock that is expected to outperform its MSCI sector index over a 12-month investment horizon.
- Neutral** Stock that is expected to perform in line with its MSCI sector index over a 12-month investment horizon.
- Sell** Stock that is expected to underperform its MSCI sector index over a 12-month investment horizon.
- Restricted** Covered stock that is not rated or assigned a target price as the Societe Generale group has a capital market transaction with that company.
- Termination** Stock is subject to be deleted from the SGPB recommended universe and will no longer be followed. In this case, a coverage termination alert is issued.

Recommended Universe Principle:

The Recommended Universe is made of companies from the Investment Universe as defined by Societe Generale Private Banking guidelines. Members are chosen by Equity Solutions. There are no lower nor upper limits on the number of stocks in the Recommended Universe. There is no specific constraint in term of geographical or industry representation. A company from the recommended universe can be subject to a rating change, as decided by the Equity Solutions expert covering the company. When a stock is downgraded to a Sell rating, it is still followed for at least 3-month, after which Equity Solutions issues a coverage termination alert.

Product Risk Rating:

The product category of single equity, stock, share is rated at '4'.

In order to draw the attention of potential investors to the risk linked to each investment solution, Societe Generale Private Banking has ranked each product according to its own specific risk scale from the lowest risk (class 0) to the highest risk (class 4). The risk classification in 5 levels, is a Societe Generale Private Banking internal risk indicator. These internal indicators are based on the Value at Risk 95% 1 year (VaR). The VaR corresponds to the maximum amount that the portfolio being considered could lose in normal market conditions over a given period with a given probability (past performances and simulations of performance shall not be considered as a reliable indicator of future performance). If the VaR 95% 1 year is y%, this means that there is a 95% probability that the portfolio will not lose more than y% of its value in one year.

Risk Levels	Losses
0 - Lowest Risk	There is a 95% probability that the product will not depreciate in value in one year.
1 - Low Risk	There is a 95% probability that the product will not lose more than 5% of its value in one year.
2 - Medium Risk	There is a 95% probability that the product will not lose more than 15% of its value in one year.
3 - High Risk	There is a 95% probability that the product will not lose more than 30% of its value in one year.
4 - Highest Risk	There is a minimum of 5% probability that the product will lose more than 30% of its value in one year.

MSCI Disclaimer:

The MSCI sourced information is the exclusive property of Morgan Stanley Capital International Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, disseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanley Capital International and the MSCI indexes are services marks of MSCI and its affiliates.

Disclosures

SG acted as financial advisor of Accenture in the acquisition of Octo Technology.

SG acted as joint bookrunner in the disposal of BPI France's stake into Schneider Electric

SG acted as joint global coordinator and joint bookrunner in Carmila's IPO sold by Carrefour

SG acted as Active Joint Bookrunner on Danone Bond issue (EUR 2y, 4y, 6y, 8y, 12y).

SG acted as joint bookrunner in Enel's bond issue (5y, 10y, 30y, USD).

SG makes a market in Enel warrants

SG acted as sole global coordinateur and joint bookrunner in Engie's tender offer (FR0011289230, FR0000472334, FR0010678185, FR0010709451, FR0010721704, FR0010952770, FR0011261924) and joint dealer manager and structuring advisor in the new bonds issue (E

SG acted as joint bookrunner in the disposal of Engie's stakes by Government of France (APE).

SG acted as Co-Manager in PepsiCo's bond issue (USD, 2yr, 5y, 30y).

SG acted acting as co-manager in PepsiCo's senior notes issue.

SG acted as joint global coordinator and joint bookrunner in Suez's capital increase via Accelerated Bookbuilding (ABB)

SG acted as joint bookrunner in Suez's hybrid bond issue (EUR; 7yr).

SG acted as joint bookrunner in Suez's bond issue (EUR, 8y, 12y).

SG provided bridge loan financing to Suez for the acquisition of GE Water, sold by General Electric.

SG is acting as buy-side adviser to Suez for the acquisition of GE Water, sold by General Electric.

SG acted as Financial advisor for ACS in the sale of Urbaser.

SG acted as joint bookrunner in Saint Gobain's bond issue (EUR Benchmark, 3.5yr).

SG acted as joint bookrunner in CRH's bond issue (12y, EUR).

SG acted as bookrunner in BFCM's ABB disposal on Eiffage.

SG acted as junior bookrunner in Liberty Expedia Holdings' convertible.

SG acted as joint bookrunner in Artemis' exchangeable bond issue into Kering.

SG acted as global coordinator and joint bookrunner in Kering 's bond issue (EUR 300m, 10y)

SG acted as joint bookrunner in Vinci's convertible bond issue (USD, 5yr).

SG acted as joint Global Coordinator in Cofiroute's bond issue (RegS, 10y or 8y+12y).

SG acted as co-manager in Disney's bond issue

SG has been mandated on Accor's consent solicitation (FR0010784066, FR0011452291, FR0011731876, FR0012386688, FR0012949949, FR0012005924).

SG acted as joint bookrunner in Accor's bond issue (7y, EUR)

SG acted as joint bookrunner in Vivendi's bond issue (7y, RegS, EUR).

SG acted as joint bookrunner in Vivendi's bond issue (EUR, 7yr).

SG acted as co-manager in ABN's bond issue (Perp nc10 AT1).

SG acted as global coordinator and joint bookrunner in the disposal of Euronext shares held by Société Générale and BNP Paribas

SG acted as Joint Bookrunner in Credit Agricole's ABB in Amundi

SG acted as Joint Lead manager in Credit Agricole's bond issue (5yr, 10yr, USD)

SG acted as joint bookrunner in ING Group's bond issue (EUR, RegS, 12yr).

SG acted as Joint Lead manager in Intesa Sanpaolo inaugural Green Senior Bond issue (EUR;RegS;5y)

SG acted as joint bookrunner and joint lead manager in Intesa Sanpaolo's bond issue (7yr, EUR).

SG acted as joint bookrunner on Intesa Sanpaolo's bond issue (5y; EUR).

SG makes a market in Intesa Sanpaolo warrants

SG acted as joint bookrunner in BKC's bond issue (5y senior EUR).

SG acted as joint global coordinator in Unibail-Rodamco's dual tranche bond issue (12y, 20y, EUR, RegS).

SG acted as joint dealer manager in Unibail Rodamco's tender offer (9 ISIN targeted with maturities ranging from 2017 to 2023) and joint bookrunner on new bond issue (EUR, 8yr)

SG acted as Joint Bookrunner in Valeo's Bond issue (RegS;Senior;5yr)

SG acted as joint bookrunner in Valeo's convertible tap (USD, 125m, 2021)

Disclaimers

Société Générale Private Banking (“SGPB”) is a division of the group Société Générale S.A. operating through its head office within Société Générale S.A and its network (subsidiaries or branches or departments of Société Générale S.A.), located in various countries, hereinafter mentioned, acting under the “Société Générale Private Banking” brand, and distributors of the document.

Subject of the document

The present document has been prepared by the experts of the group Société Générale S.A. and more particularly of Société Générale Private Banking division, to provide you with information relating to some financial and economic data. The name and function of the people having prepared this document are indicated in the first pages of this document.

This document is non-independent research and is a marketing communication. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and the investment service provider is not subject to any prohibition on dealing ahead of the dissemination of investment research.

In order to read and understand the financial and economic information included in this document, you will need to have knowledge and experience of financial markets.

The content of this document only aims to provide simple information to help you to make your investments or disinvestments decisions, and it shall not constitute a personal recommendation. You keep the liability of your asset’s management, and you remain free concerning your investment decisions.

Moreover, the document may mention financial products / asset classes that are not authorized / marketable in certain countries, and / or which might be reserved for certain categories of investors. Therefore, should you wish to make an investment, as the case may be and according to the applicable laws, your advisor within your Société Générale Private Banking entity will check whether this investment is possible within your jurisdiction and whether it corresponds to your investment profile.

Conflict of interest

This document contains the views of SGPB experts. Société Générale trading desks may trade, or have traded, as principal on the basis of the expert(s) views and reports. In addition, SGPB experts receive compensation based, in part, on the quality and accuracy of their analysis, client feedback, revenues of their entity of the Société Générale group and competitive factors.

As a general matter, entities within the Société Générale group may make a market or act as a principal trader in securities referred to in this report and can provide banking services to the companies mentioned in that document, and to their subsidiary. Entities within the Société Générale group may from time to time deal in, profit from trading on, hold on a principal basis, or act as advisers or brokers or bankers in relation to securities, or derivatives thereof, or asset class(es) mentioned in this document.

Entities within the Société Générale group may be represented on the supervisory board or on the executive board of such persons, firms or entities. Employees of the Société Générale group, or persons/entities connected to them, may from time to time have positions in or hold any of the investment products/ asset class(es) mentioned in this document.

Société Générale may acquire or liquidate from time to time positions in the securities and/or underlying assets (including derivatives thereof) referred to herein, if any, or in any other asset, and therefore any return to prospective investor(s) may directly or indirectly be affected. Entities within the Société Générale group are under no obligation to disclose or take into account this document when advising or dealing with or on behalf of customers. In addition, Société Générale may issue other reports that are inconsistent with, and reach different conclusions from the information presented in this report and is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report. Société Générale group maintains and operates effective organisational and administrative arrangements taking all reasonable steps to identify, monitor and manage conflicts of interest. To help the Société Générale Private Banking Entities to do this, they have put in place a management of conflicts of interest policy designed to prevent conflicts of interest giving rise to a material risk of damage to the interests of SGPB clients. For further information, SGPB clients can refer to the management of conflicts of interest’s policy, which was provided to them by the SGPB entity of which they are clients.

General Warning

The information indicated in this document shall not be considered as legal or tax or accounting advice. The analysis made in this document is made as a whole and cannot be dealt with separately.

You should be aware that the investment to which this material relates may involve numerous risks. The amount of risk may vary but can expose you to a significant risk of losing all of your capital, including a potential unlimited loss. Accordingly these products or services may be reserved only for a certain category of eligible investors such as those who are sophisticated and familiar with these types of investment and who understand the risks involved.

Accordingly, before making an investment decision, as the case may be and according to the applicable laws, the potential investor will be questioned by his advisor of his Société Générale Private Banking entity as to his eligibility for the envisaged investment, and the compatibility of the investment with his investment profile and objectives. He should also consult his own independent financial, legal and tax advisers to obtain all the financial, legal and tax information which will allow him to appraise the characteristics and the risks of the envisaged investment, as well as his tax treatment, in light of his own circumstances.

The full understanding and agreement to the related contractual and informative documentation including the documentation relating to the relevant risks is required from the potential investor prior to any investment. The potential investor has to remember that he should not base any investment decision and/or instructions solely on the basis of this document. Any investment may have tax consequences and it is important to bear in mind that the Société Générale Private Banking entities do not provide tax advice. A potential investor should consider seeking independent tax advice (where appropriate). The level of taxation depends on individual circumstances and such levels and bases of taxation can change.

The investment product(s)/asset class(es) described in this document may not be eligible for sale or subscription in all jurisdictions or to certain categories of investors. It is the responsibility of any person in possession of this document to inform to be aware of and to observe all applicable laws and regulations of relevant jurisdictions. This document is not intended to be distributed to a person or in a jurisdiction where such distribution would be restricted or illegal. This document is in no way intended to be distributed in or into the United States of America nor directly or indirectly to any U.S. person.

The price and value of investments and the income derived from them can go down as well as up. Changes in inflation, interest rates and exchange rates may have an adverse effect on the value, price and income of investments issued in a different currency from that of the client. The simulations and examples included in this document are provided only for informational and illustration purposes alone. The present information may change with market fluctuations and views reflected in this document may change.

The Société Générale Private Banking entities disclaim any responsibility to update or make any revisions to this document. The purpose of this document is to inform investors who shall make their investment decisions without overly relying on the document.

The Societe Generale Private Banking entities disclaim any responsibility for direct or indirect losses related to any use of this publication or its content. The Societe Generale Private Banking entities offer no implicit or explicit guarantees as to the accuracy or exhaustivity of the information or as to the profitability or performance of the asset classes, countries and relevant markets.

The investment product(s)/asset class(es) described herein may be issued by issuer(s) whose credit rating is provided by a rating agency and which can vary. The Société Générale Private Banking entities are not responsible for any risk in respect of such issuer(s) including but not limited to risk of default of such issuer(s). This document does not purport to list or summarize all of the financial products’ terms and conditions, nor to identify or define all or any of the risks that would be associated with the purchase or sale of the financial product(s)/asset class(es) described herein. The historical data and information herein, including any quoted expression of opinion, have been obtained from, or are based upon, external sources that the Société Générale Private Banking entities believe to be reliable but have not been independently verified and are not guaranteed as to their accuracy or completeness. The Société Générale Private Banking entities shall not be liable for the accuracy, relevance or exhaustiveness of this information. Information about past performance is not a guide to future performance and may not be repeated. Investment value is not guaranteed and the value of investments may fluctuate. Estimates of future performance are based on assumptions that may not be realised, and should not be deemed an assurance or guarantee as to the expected results of investment in such investment products and/or asset class(es).

This document is confidential, intended exclusively to the person to whom it is given, and may not be communicated nor notified to any third party (with the exception of external advisors on the condition they themselves respect this confidentiality undertaking) and may not be copied in whole or in part, without the prior written consent of the relevant Société Générale Private Banking entity.

Potential risks in case of an investment

Risk of loss of the total amount invested, volatility risk, risk linked to small and mid capitalization, credit risk, counterparty risk, issuer's risk, liquidity risk, risk linked to discretionary management, change risk, market risk.

Specific warnings per jurisdiction (SGPB)

France: Unless otherwise expressly indicated, this document is issued and distributed by Societe Generale, a French bank authorised and supervised by the Autorité de Contrôle Prudentiel et de Résolution, located at 61, rue Taitbout, 75436 Paris Cedex 09 under the prudential supervision of the European Central Bank- ECB, and registered at ORIAS as an insurance intermediary under the number 07 022 493 orias.fr. Societe generale is a French Société Anonyme with its registered address at 29 boulevard Haussman, 75009 Paris, with a capital of EUR 1,009,380,011.25 at 31 March 2016 and unique identification number 552 120 222 R.C.S. Paris. Further details are available on request or can be found at www.privatebanking.societegenerale.fr/.

The Bahamas : This document has been distributed in The Bahamas to its private clients by Société Générale Private Banking (Bahamas) Ltd., an entity duly licensed and regulated by the Securities Commission of the Bahamas (the "Securities Commission"). This document is not intended for distribution to persons or entities that are Bahamian citizens or that have been designated as residents of The Bahamas under the Exchange Control Regulations, 1956 of The Bahamas. This document is not, is not intended to be, and under no circumstances is to be construed as a distribution of any securities in The Bahamas. Neither the Securities Commission nor any similar authority in The Bahamas has reviewed or in any way passed upon this document or the merits of the securities described, or any representations made herein.

Belgium: This document has been distributed in Belgium by Société Générale Private Banking SA/NV, a Belgian credit institution according to Belgian law and controlled and supervised by the National Bank of Belgium (NBB) and the Financial Services and Markets Authority (FSMA), and under the prudential supervision of the European Central Bank- ECB. Société Générale Private Banking SA/NV is registered as an insurance broker at the FSMA under the number 61033A. Société Générale Private Banking SA/NV has its registered address at 9000 Ghent, Kortrijksesteenweg 302, registered at the RPM Ghent, under the number VAT BE 0415.835.337. Further details are available on request or can be found at www.privatebanking.societegenerale.be.

Dubai : The present document has been distributed by Societe Generale, DIFC Branch (SG DIFC). Related financial products or services are only available to clients having signed a DIFC Client Agreement with SG DIFC and qualifying as professional clients with liquid assets of over \$1 million, and who have sufficient financial experience and understanding to participate in the relevant financial markets, according to the Dubai Financial Services Authority (DFSA) rules. SG DIFC is duly licensed and regulated by the DFSA to provide arranging and advisory services.. SG DIFC does not provide certain products and/or services (such as discretionary portfolio management, managed advisory services, Prime Market Access), but the branch's clients can if necessary have access to these products and/or services at the Societe Generale Private Banking entity holding the client's bank account. The DFSA has neither reviewed nor approved this document. Further details are available on request or can be found at www.privatebanking.societegenerale.ae

Luxembourg: This document has been distributed in Luxembourg by Societe Generale Bank and Trust ("SGBT"), a credit institution which is authorised and regulated by the Commission de Surveillance du Secteur Financier, under the prudential supervision of the European Central Bank- ECB, and whose head office is located at 11 avenue Emile Reuter – L 2420 Luxembourg. Further details are available on request or can be found at www.sgbt.lu. No investment decision whatsoever may result from solely reading this document. SGBT accepts no responsibility for the accuracy or otherwise of information contained in this document. SGBT accepts no liability or otherwise in respect of actions taken by recipients on the basis of this document only and SGBT does not hold itself out as providing any advice, particularly in relation to investment services. The opinions, views and forecasts expressed in this document (including any attachments thereto) reflect the personal views of the author(s) and do not reflect the views of any other person or SGBT unless otherwise mentioned. SGBT has neither verified nor independently analysed the information contained in this document. The Commission de Surveillance du Secteur Financier has neither verified nor analysed the information contained in this document.

Monaco: the present document is distributed in Monaco by Société Générale Private Banking (Monaco) S.A.M., located 13, 15 Bd des Moulins, 98000 Monaco, Principality of Monaco, governed by the 'Autorité de Contrôle Prudentiel et de Résolution' and the 'Commission de Contrôle des Activités Financières'. The Financial products marketed in Monaco can be reserved for qualified investors in accordance with Law No. 1339 of 07/09/2007 and Sovereign Ordinance No 1.285 of 10/09/2007. Further details are available upon request or on www.privatebanking.societegenerale.mc.

Switzerland: This document has been communicated in Switzerland by Société Générale Private Banking (Suisse) SA (« SGPBS »), whose head office is located at rue du Rhône 8, CP 5022, CH-1211 Geneva 11. SGPBS is a bank authorized by the Swiss Financial Market Supervisory Authority FINMA. Further details are available on request or can be found at www.privatebanking.societegenerale.ch. Unless it expressly appears from this document that it was drafted with the involvement of SGPBS, this document was issued outside of Switzerland for the « Private Banking » and is not the result of SGPBS' own financial analysis. The Directives of the Swiss Bankers Association (SBA) on the Independence of Financial Research (the « Directives ») do not apply to this document. SGPBS did not verify nor independently analyzed the information contained in this document. SGPBS accepts no responsibility for the accuracy or otherwise of information contained in this document. The opinions, views and forecasts expressed in this document reflect the personal views of the relevant author(s) and shall not engage SGPBS' liability. If it expressly appears from this document that it was drafted with the involvement of SGPBS, the Directives only apply if and to the extent this document includes an opinion or a recommendation about a company or a security. This document is not a prospectus within the meaning of articles 652a and 1156 of the Swiss Code of Obligations.

United Kingdom : This document has been distributed in the United Kingdom by SG Hambros Bank Limited, whose head office is located at 8 St. James's Square, London SW1Y 4JU ("SGPB Hambros"). SGPB Hambros is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The availability of the products or services described in this document in the United Kingdom may be restricted by law. Further details are available on request.

Jersey : This document has been distributed in Jersey by SG Hambros Bank (Channel Islands) Limited ("SGH CI Limited"), whose registered office address is PO Box 78, SG Hambros House, 18 Esplanade, St Helier, Jersey JE4 8PR. This document has not been authorised or reviewed by the Jersey Financial Services Commission ("JFSC"). SGH CI Limited is authorised by the JFSC for the conduct of investment business.

Guernsey : This document has been distributed in or from within the Bailiwick of Guernsey by SG Hambros Bank (Channel Islands) Limited – Guernsey Branch, whose principal address in Guernsey is PO Box 6, Hambros House, St Julian's Avenue, St Peter Port, Guernsey, GY1 3AE. SG Hambros Bank (Channel Islands) Limited – Guernsey Branch is licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994, and the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Gibraltar : This document has been distributed in Gibraltar by SG Hambros Bank (Gibraltar) Limited, whose head office is located at Hambros House, 32 Line Wall Road, Gibraltar ("SG Hambros Gibraltar"). SG Hambros Gibraltar is authorised and regulated by the Gibraltar Financial Services Commission for the conduct of banking, investment and insurance mediation business. The availability of the products or services described in the document in Gibraltar may be restricted bylaw. Further details are available on request. Societe Generale Private Banking Hambros is part of the wealth management arm of the Societe Generale Group, Societe Generale Private Banking. Societe Generale is a French bank authorised in France by the Autorité de Contrôle Prudentiel et de Résolution, located at 61, rue Taitbout, 75436 Paris Cedex 09, and under the prudential supervision of the European Central Bank - ECB. It is also authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information on the SGPB Hambros Group including additional legal and regulatory details can be found on www.privatebanking.societegenerale.com/hambros.

<http://www.privatebanking.societegenerale.com>.

© Copyright the Société Générale group 2016. All rights reserved. Any unauthorized use, duplication, redistribution or disclosure in whole or in part is prohibited without the prior consent of Société Générale. The key symbols, Société Générale, Société Générale Private Banking are registered trademarks of SG. All rights reserved.

Equity Solutions Team:

Asia: Bangalore: Bangalore: Shishir Malik, Abhishek Iyer, Anirudh Srivastava, Harini Naidu, Jyotiraditya Sharma, Neeraj Mendiratta, Ravi Kumar, Sairam Sastry, Saurabh Lohariwala, Shalinee G, Shekhar Kedia, Sriram Chellappa, Tarun Dhawan.

Europe: Jérôme Matt, Hafid Lalouch, Danny Van Quaethem, Kristof De Graeve.

Societe Generale Private Banking
Tour Alicante
17, Cours Valmy
92043 Paris La Défense Cedex
France

www.sgprivatebanking.com

Societe Generale S.A.
Share Capital of: EUR 1,009,641,917.50 at 31 December 2016
Registered under # 552 120 222