

Growth Investing in a World of Technological Innovation

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Growth Investing in a World of Technological Innovation

Identifying and gauging a range of innovation is key to global growth investing

- Two important trends winning today and positioned for continued growth
- Disruptive trends affecting the marketplace today
- Keys to successful investing in a world of innovation

There is no guarantee these objectives will be met. The views expressed herein are those of Jennison investment professionals at the time the comments were made. They may not be reflective of their current opinions, are subject to change without prior notice, and should not be considered investment advice.

Secular Trends Winning Today

Companies that have outperformed during the pandemic led market volatility are mostly positioned to capitalize on these important secular trends:

- 1. Direct to Consumer (DTC) business models built on flexibility and omni-channel distribution:**
 - E-commerce
 - Omni-channel vertically integrated brands
 - Technology applications that facilitate sales, improve convenience, or enhance service delivery, like digital payments
 - Omni channel retail operating systems
 - Telemedicine
- 2. Digital Transformation of the Enterprise:**
 - Cloud based data computing and applications are transforming IT budgets globally
 - Work from Home and immediate need for business continuity and flexible application implementation drove accelerated adoption
 - Areas of focus: cloud services (AWS, Azure, Alibaba), unified customer communication, security and identity authentication, infrastructure management, workflow automation

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Secular Trends Accelerating in the Current Environment



ON-DEMAND CONSUMPTION



ENTERPRISE TECHNOLOGIES



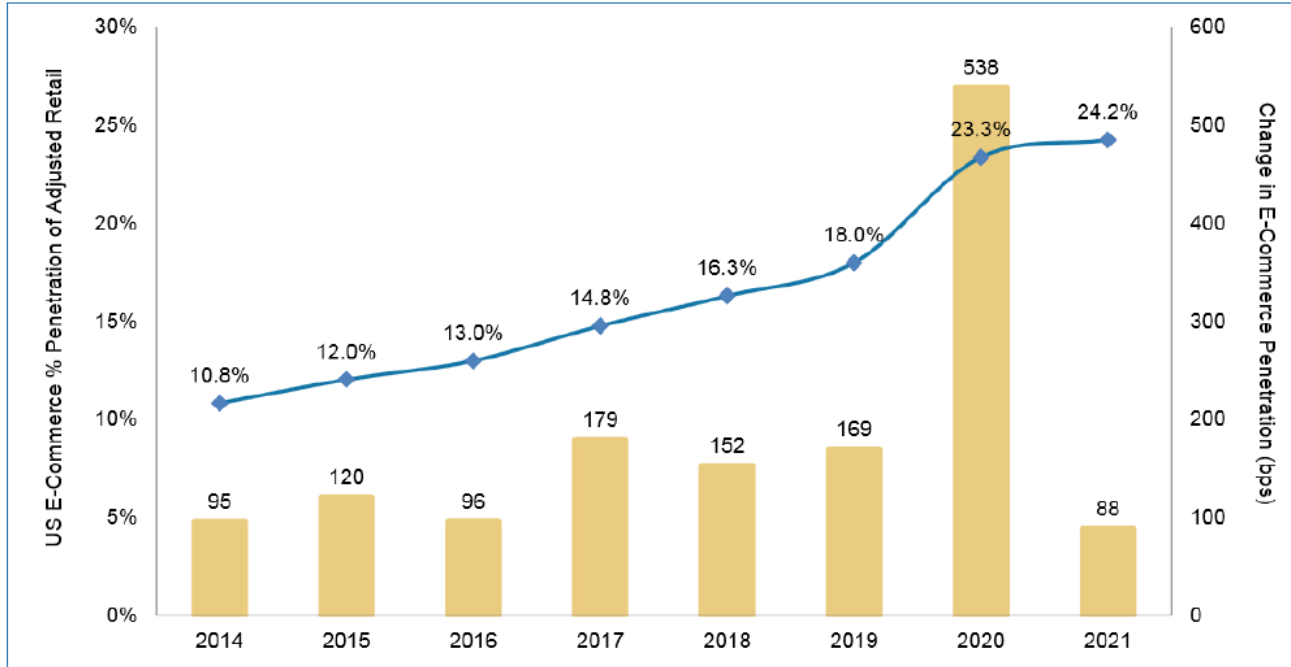
DIGITAL PAYMENTS



DISRUPTIVE MOBILITY

E-Commerce - The US has Accelerated

We Believe 2020 Is Likely to Represent a Year in Which ~2 Years of eCommerce Adoption Were Pulled Forward

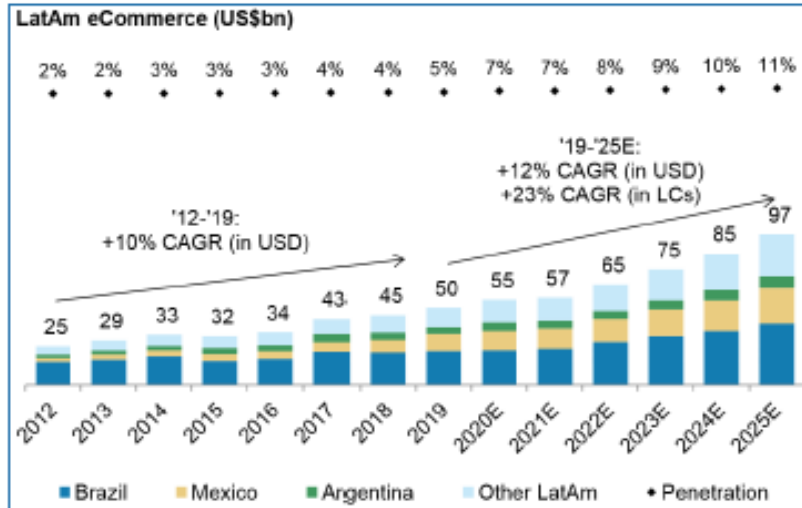


Source: Company Data, Morgan Stanley Research

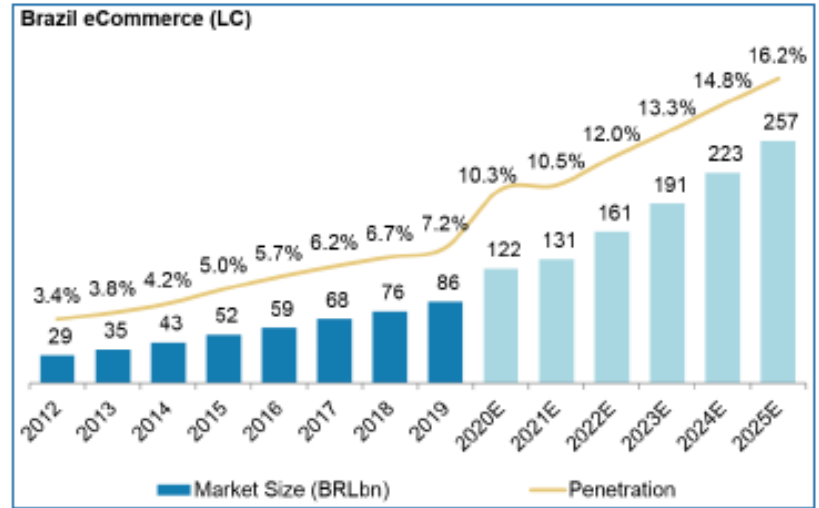
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E-Commerce - Penetration in Latin America has also Accelerated

We Expect LatAm eCommerce to Reach Nearly US\$100bn in 2025 with 11.5% Penetration...



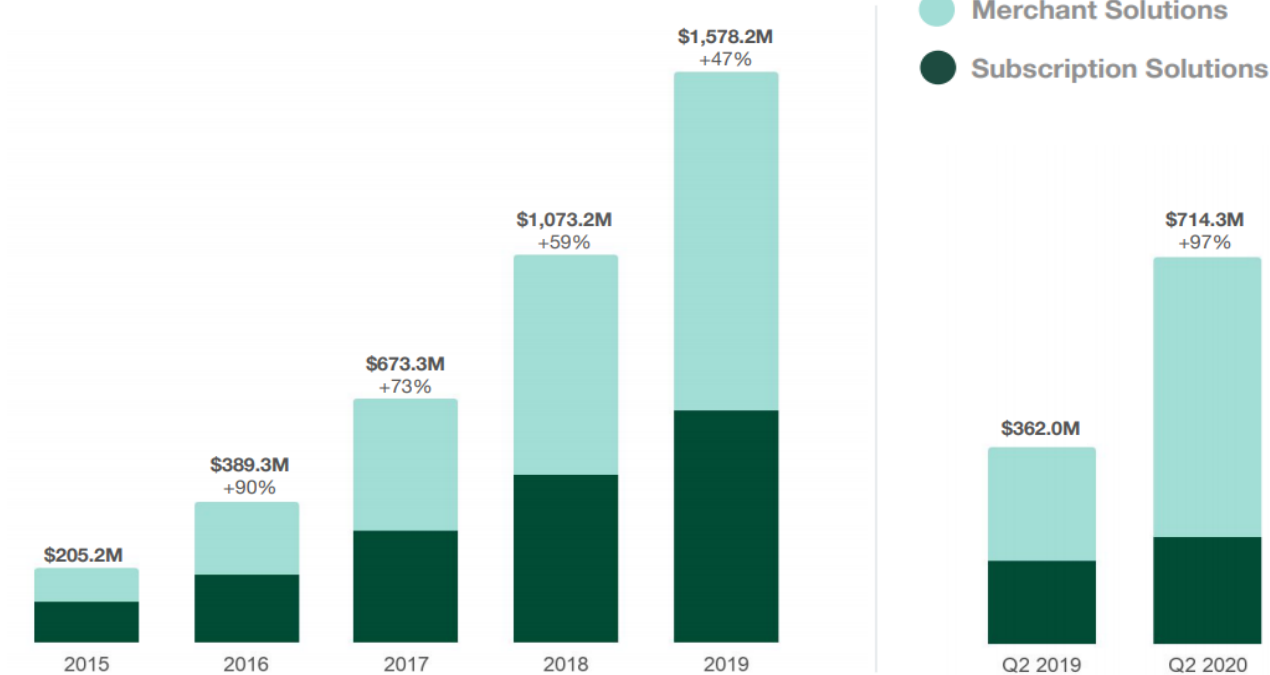
... Led by Brazil at R\$260bn / US\$40bn in GMV and 16% Penetration in 2025



Source: Euromonitor, Company Data, Morgan Stanley Research estimates

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E-Commerce - Shopify Has Seen Accelerating Growth as a Result of the Pandemic

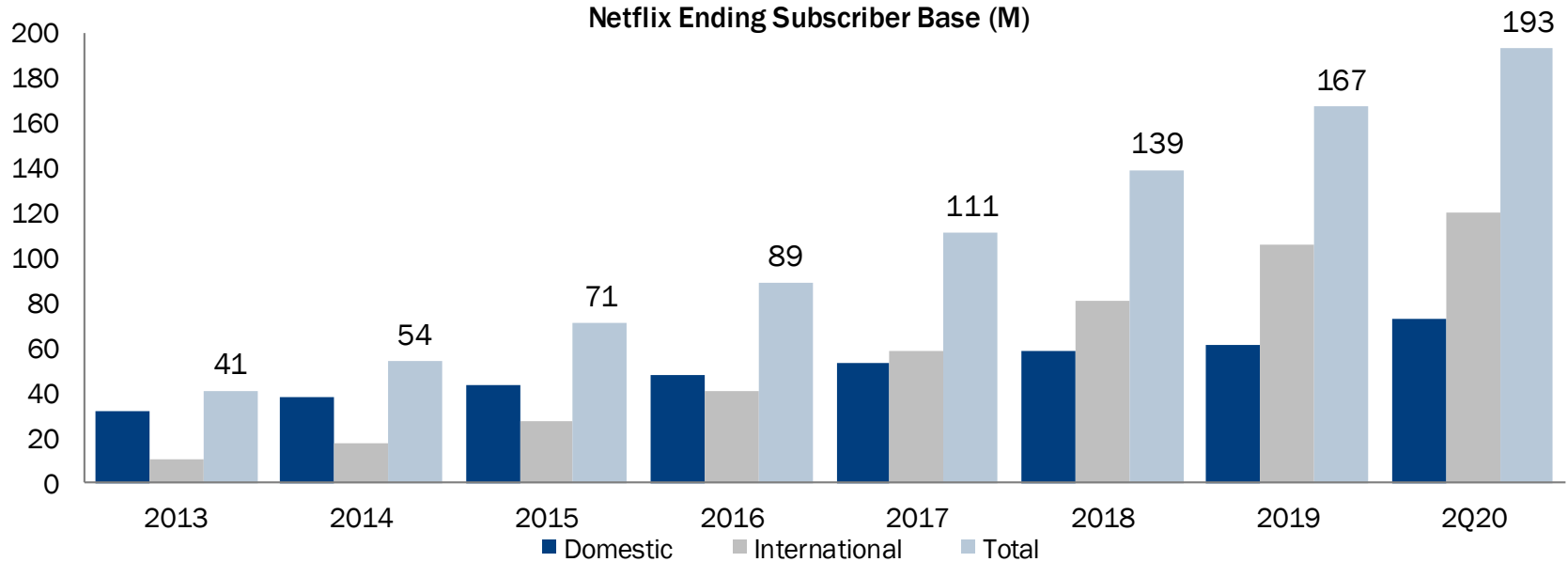


As of 6/30/20

Source: Shopify (used with permission). This material is not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. This material does not constitute investment advice and should not be used as the basis for any investment decision. See Notes for additional disclosures.

Video Streaming

Netflix: Transformative business model with content creation and global scalability
Watch whenever, wherever on any device



As of 6/30/20

Source: Netflix. This material is not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. This material does not constitute investment advice and should not be used as the basis for any investment decision. See Notes for additional disclosures.

Digital Payments are Accelerating Globally

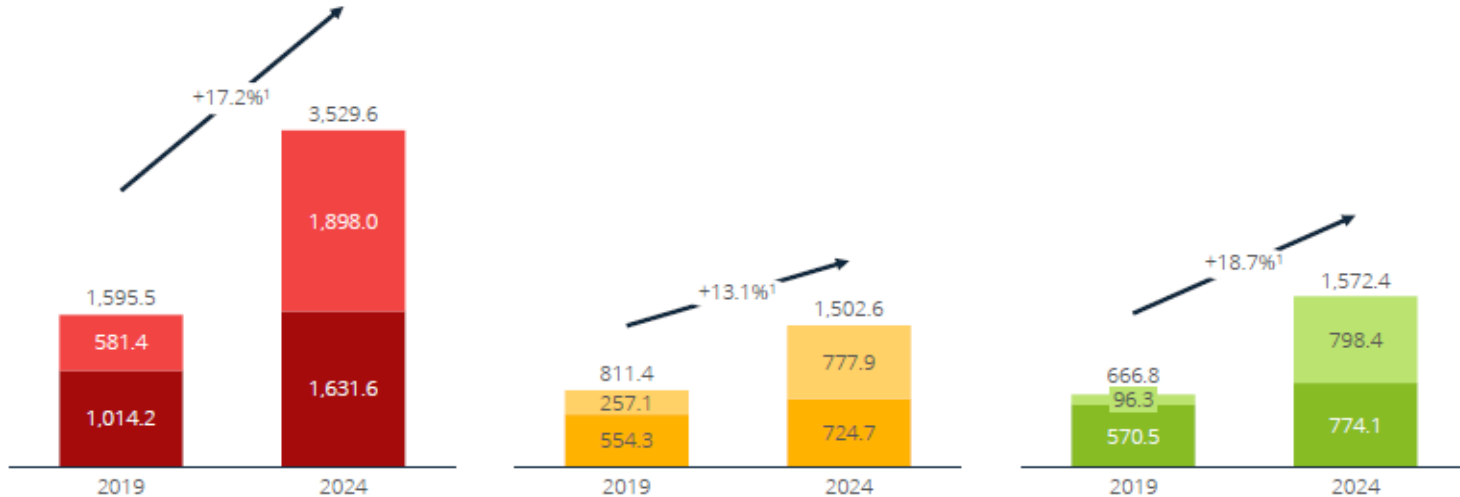
Transaction value forecast in billion US\$

■
■
■ Digital Commerce
 ■
■
■ Mobile POS Payments

China

United States

Europe

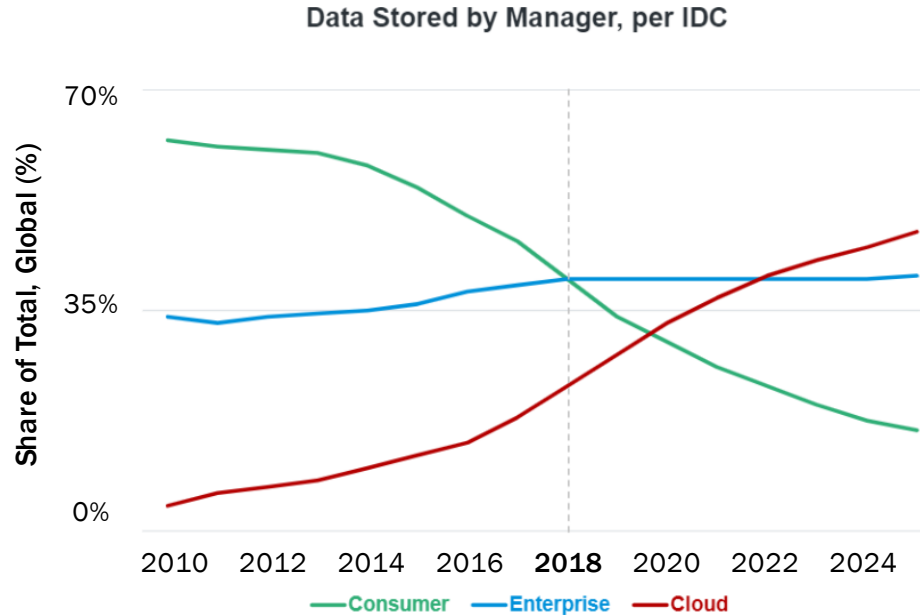


1: CAGR: Compound Annual Growth Rate / average growth rate per year
 Source: [Statista Digital Market Outlook 2020](#)

As of 5/31/20

Source: Statista Digital Market Outlook 2020 (used with permission). This material is not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. This material does not constitute investment advice and should not be used as the basis for any investment decision. See Notes for additional disclosures.

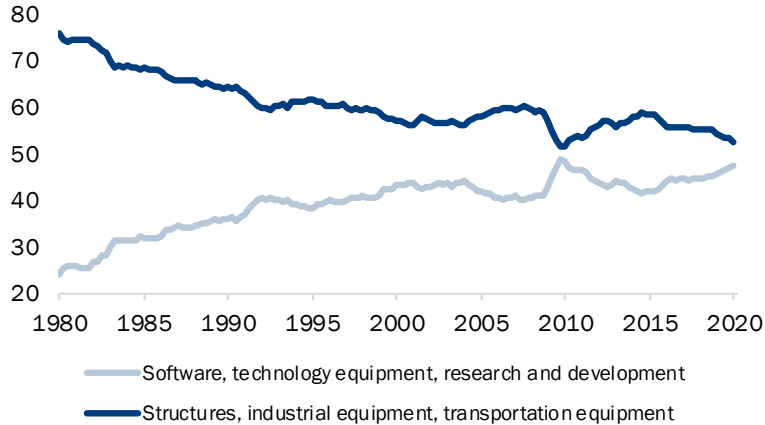
Data Stewardship = Evolving... Enterprise Surpassed Consumer... Cloud Overtaking Both



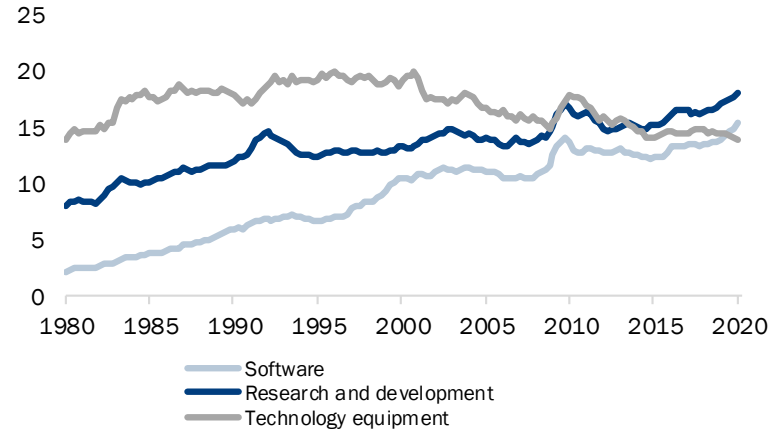
Source: Bond "Internet Trends 2019", dated May 30, 2019 (https://www.bondcap.com/pdf/Internet_Trends_2019.pdf); used with permission. Note: Consumer refers to devices owned by end users, such as smartphones, computers, external hard drives, etc. Enterprise refers to data stored by businesses, often in on-premise data centers. Public cloud refers to services such as Amazon Web Services, Microsoft, Azure, Google Cloud, etc. 2016 is the last year before release of the report. 2019-2025 are estimated from current trends. See Notes for additional disclosures.

Capital Spending Is Increasingly Next-Economy-,Tech-Related; Tech Capex Is Increasingly Focused on Software/Research

% of US capital spending,
tech (next economy) vs. non-tech



% of US tech capital spending,
software vs R&D vs. equipment



- Next-economy tech capital spending has been gaining capex share for decades.

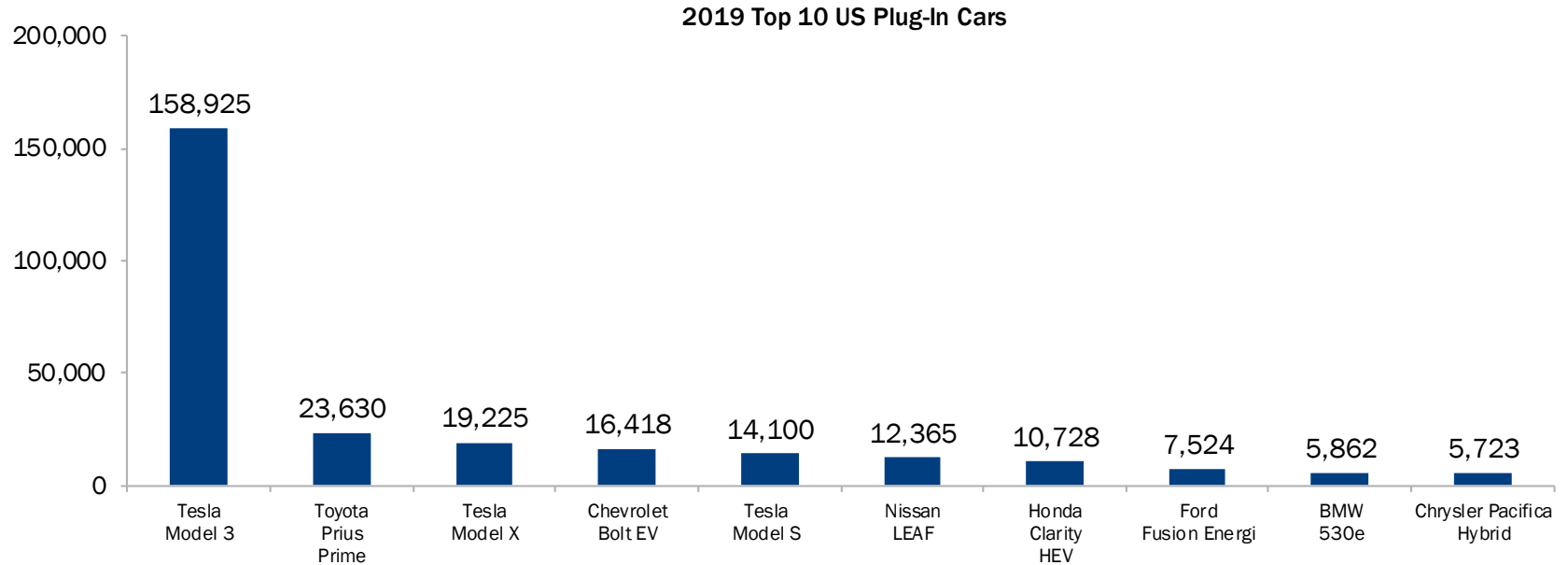
- Software-defined networking, server virtualization, network sharing, and the scale of cloud service providers and hosted services make equipment more efficient

As of 3/31/20.

Source: Cornerstone Macro (used with permission), Bureau of Economic Analysis, www.bea.gov, Notes: NIPA Table 1.5.5. United States, National Income and Production Accounts, Nominal Gross Private Domestic Investment, Fixed Investment, Nonresidential, Equipment, Information Processing Equipment. Units: Billions of US dollars, SAAR. See Notes in the Appendix. Past performance does not guarantee future results.

Disruptive Mobility

Tesla dominated US plug-in car demand in 2019



Data from 1/1/19 to 12/31/19.

<https://insideevs.com/news/375528/us-plug-in-sales-charted-september-2019/>. The above chart shows estimated sales numbers which are reconciled on monthly or quarterly totals by insideevs.com. The views expressed herein are those of Jennison investment professionals at the time the comments were made. They may not be reflective of their current opinions, are subject to change without prior notice, and should not be considered investment advice. This material is not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. This material does not constitute investment advice and should not be used as the basis for any investment decision. See Notes for additional disclosures.

Research of Innovative Technologies Requires a Flexible, Long-Term, and High-Conviction Approach

Critical to success:

- Deeply resourced, highly experienced research team
- An investment process designed to:
 - Recognize structural shifts in the marketplace
 - Identify and gauge both the duration and magnitude of growth, revenue optionality, and strength of competitive advantages
 - Observe consumer buying patterns, new addressable market opportunities, innovative problem-solving, and scientific breakthroughs

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