

Global Innovation: The opportunities driving progress

Speaker: Michael Masdea, Head of Investment Science & Portfolio Manager
Brian Barbetta, Global Industry Analyst & Portfolio Manager

Views expressed are those of the technology team and are subject to change. Other teams may hold different views and make different investment decisions. While any third-party data used is considered reliable, its accuracy is not guaranteed. For professional/institutional investors only. Produced in March 2021.

Transcript

Michael: Innovation is a newer, meaningfully better way to meet a need that exists today. It's not just new technologies and new products, it's a new process, a new way of doing things, a new way of putting a company together, a new business model. There's a lot of ways in which innovation can really show up in equities today.

Brian: Trends and ideas can come from anywhere, sometimes it's as simple as a blog post you read and you realize that "Oh, people are really starting to play video games in a certain way." Sometimes you observe it in your daily life, sometimes our global industry analysts will surface it for us and say, "Hey, here's a trend we think you should be paying attention to."

Automotive is a great example, for cars are becoming more electrified and have more and more self-driving features, and there are a number of companies who benefit from those rapidly growing changes in the automobile.

On the consumer side, since the smartphone reached saturation in developed markets around 2012, we've seen consumers shift their preferences from buying things like gadgets to having experiences. The smartphone was truly the last gadget that everyone needed.

Michael: In alternative energy, we're finding ideas such as for infrastructure, where you have all these new alternative energies that need to plug in with the existing traditional energy sources, and there are companies that understand the deep complexity of how these different infrastructure pieces get delivered, built, and distributed across the grid. In particular, we're looking at a few that have very high barriers to entry that we think could sustain competitive advantage in the years to come. So, we see innovation everywhere, from finance, to consumer, to health care and technology, as you might expect, but we see it all across the board.

Important Notice

Wellington Management Company LLP (WMC) is an independently owned investment adviser registered with the US Securities and Exchange Commission (SEC). WMC is also registered with the US Commodity Futures Trading Commission (CFTC) as a commodity trading advisor (CTA) and serves as a CTA to certain clients including commodity pools operated by registered commodity pool operators. WMC provides commodity trading advice to all other clients in reliance on exemptions from CTA registration. WMC, along with its affiliates (collectively, Wellington Management), provides investment management and investment advisory services to institutions around the world. Located in Boston, Massachusetts, Wellington Management also has offices in Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Frankfurt; Hong Kong; London; Luxembourg; Milan; Shanghai; Singapore; Sydney; Tokyo; Toronto; and Zurich.

This material is prepared for, and authorized for internal use by, designated institutional and professional investors and their consultants or for such other use as may be authorized by Wellington Management. This material and/or its contents are current at the time of writing and may not be reproduced or distributed in whole or in part, for any purpose, without the express written consent of Wellington Management. This material is not intended to constitute investment advice or an offer to sell, or the solicitation of an offer to purchase shares or other securities. Investors should always obtain and read an up-to-date investment services description or prospectus before deciding whether to appoint an investment manager or to invest in a fund. Any views expressed herein are those of the author(s), are based on available information, and are subject to change without notice. Individual portfolio management teams may hold different views and may make different investment decisions for different clients.

In Canada, this material is provided by Wellington Management Canada ULC, a British Columbia unlimited liability company registered in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, and Saskatchewan in the categories of Portfolio Manager and Exempt Market Dealer.

In Europe (excluding the United Kingdom and Switzerland), this material is provided by Wellington Management Europe GmbH (WME) which is authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). This material may only be used in countries where WME is duly authorized to operate and is only directed at eligible counterparties or professional clients as defined under the German Securities Trading Act. This material does not constitute investment advice, a solicitation to invest in financial instruments or information recommending or suggesting an investment strategy within the meaning of Section 85 of the German Securities Trading Act (Wertpapierhandelsgesetz).

In the United Kingdom, this material is provided by Wellington Management International Limited (WMIL), a firm authorized and regulated by the Financial Conduct Authority (FCA) in the UK (Reference number: 208573). This material is directed only at eligible counterparties or professional clients as defined under the rules of the FCA.

In Switzerland, this material is provided by Wellington Management Switzerland GmbH, a firm **registered at the commercial register of the canton of Zurich with number CH-020.4.050.857-7**. This material is directed only at Qualified Investors as defined in the Swiss Collective Investment Schemes Act and its implementing ordinance.

In Hong Kong, this material is provided to you by Wellington Management Hong Kong Limited (WM Hong Kong), a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), and Type 9 (asset management) regulated activities, on the basis that you are a Professional Investor as defined in the Securities and Futures Ordinance. By accepting this material you acknowledge and agree that this material is provided for your use only and that you will not distribute or otherwise make this material available to any person. Wellington Investment Management (Shanghai) Limited is wholly-owned entity and subsidiary of WM Hong Kong.

In Singapore, this material is provided for your use only by Wellington Management Singapore Pte Ltd (WM Singapore) (Registration Number 201415544E). WM Singapore is regulated by the Monetary Authority of Singapore under a Capital Markets Services Licence to conduct fund management activities and is an exempt financial adviser. By accepting this

material you represent that you are a non-retail investor and that you will not copy, distribute or otherwise make this material available to any person.

In Australia, Wellington Management Australia Pty Ltd (WM Australia) (ABN 19 167 091 090) has authorized the issue of this material for use solely by wholesale clients (as defined in the Corporations Act 2001). By accepting this material, you acknowledge and agree that this material is provided for your use only and that you will not distribute or otherwise make this material available to any person. Wellington Management Company LLP is exempt from the requirement to hold an Australian financial services licence (AFSL) under the Corporations Act 2001 in respect of financial services provided to wholesale clients in Australia, subject to certain conditions. Financial services provided by Wellington Management Company LLP are regulated by the SEC under the laws and regulatory requirements of the United States, which are different from the laws applying in Australia.

In Japan, Wellington Management Japan Pte Ltd (WM Japan) (Registration Number 199504987R) has been registered as a Financial Instruments Firm with registered number: Director General of Kanto Local Finance Bureau (Kin-Sho) Number 428. WM Japan is a member of the Japan Investment Advisers Association (JIAA), the Investment Trusts Association, Japan (ITA) and the Type II Financial Instruments Firms Association (T2FIFA).

WMIL, WM Hong Kong, WM Japan, and WM Singapore are also registered as investment advisers with the SEC; however, they will comply with the substantive provisions of the US Investment Advisers Act only with respect to their US clients.

©2021 Wellington Management Company LLP. All rights reserved.