

## Global Innovation: The opportunities driving progress

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### 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.

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