

## PRESS RELEASE

### Outlook for 2018: future-oriented equities with the potential to outperform

**Frankfurt am Main, 11 December 2017** Investors will not have to wait a long time to benefit from future-oriented themes such as digitalisation, artificial intelligence, automation and self-driving vehicles. Companies with structurally expanding business models should already outperform the overall market in 2018. This is the opinion of Frank Schwarz, fund manager of the MainFirst Global Equities Fund. "Future-oriented themes such as these should drive performance in the coming year in an environment that will remain challenging for equities," explains fund manager Mr Schwarz, whose top holdings currently include Facebook, NVIDIA and Tencent.

#### The power of platforms is growing

The stock market expert expects particularly strong growth from online platforms better able to monetise their business models in 2018. "Platforms, in particular those belonging to the established top dogs, are seeing their power growing. The reason for this is the increasing importance of digital advertising – today a quarter of all global digital advertising revenue goes to Google and a further ten percent to Facebook," says Mr Schwarz. Based on forecasts from market research company eMarketer, global advertising revenue will rise by almost eight percent in the coming year to around USD 629 billion. By the end of 2017, global revenues for digital advertising will have exceeded those for TV advertising for the first time. Mr Schwarz sees potential to benefit from rising advertising budgets at Facebook in particular: "User numbers for Facebook, including the in-house Messenger app, the independent WhatsApp messaging service and the photo and video platform Instagram, have been on a constant upwards trend for years. We believe that the advertising potential of Instagram in particular has been massively underestimated by the market." The expert sees even stronger growth potential for Asian market leader Tencent, whose WeChat messaging service has a monopoly in the Asian market. The major players in the e-commerce sector are likely to also continue to take market share from traditional retailers, with market leaders Amazon in the West and Alibaba in China the main beneficiaries.

#### Automation and self-driving vehicles require increasing processing power

Mr Schwarz believes that NVIDIA, market leader in graphic processors and chip sets, is also a very promising stock for 2018: "NVIDIA is a beneficiary of growth in the computer games sector, where trends like virtual reality mean there is a requirement for increasingly powerful graphics performance, but there are other future-oriented trends working in their favour as well," says Mr Schwarz. As an example, NVIDIA manufactures chips for data centres used for AI applications and the self-driving vehicles sector. Mr Schwarz believes that the company is so well-positioned in these areas versus the competition that it is possible that by 2025 NVIDIA could be the fourth-largest company worldwide by market capitalisation. Mr Schwarz also considers Japanese automation group Keyence a very promising stock, which will benefit from the trend for self-driving vehicles and greater utilisation of robots in production.

"In the current year we have outperformed the MSCI World Index in euros by a good 33 percent<sup>1</sup> with these and similar future-oriented shares from sectors such as semiconductor automation," reports Mr Schwarz,

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<sup>1</sup> As at: 30 November 2017, MainFirst Global Equities Fund (C), ISIN: LU0864710602.

adding: "We are convinced that the shares in our portfolio have the potential to achieve revenue and earnings growth of around 20 percent in 2018."

## **Ihr Pressekontakt**

Edelman.ergo GmbH  
Corinna Zawodniak  
Senior Editor  
Tel.: +49 221 912 887 52  
E-Mail: [corinna.zawodniak@edelmanergo.com](mailto:corinna.zawodniak@edelmanergo.com)

## **About MainFirst Asset Management**

European multi-boutique with an active management approach. The firm manages mutual funds and individual special mandates. With its multi-boutique approach it focuses on investment strategies in selected asset classes, namely equities, fixed income and multi-asset. Experienced portfolio management teams develop strategies with a high active share and individual investment processes. The firm thus combines the expertise and flexibility of focused investment teams with the strengths and clearly defined processes of a broad-based international platform. MainFirst Asset Management forms part of MainFirst Group, with approximately 200 employees in the locations Frankfurt, London, Luxembourg, Milan, Munich, New York, Paris and Zurich. For more information (including legal notes), see [www.mainfirst.com](http://www.mainfirst.com).