

# GOT GROWTH?

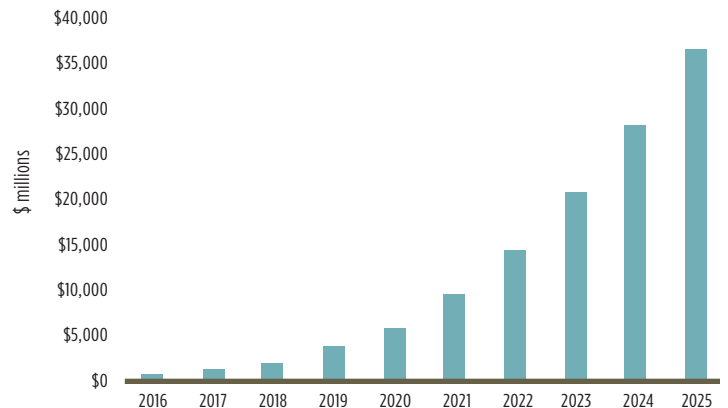
## Artificial Intelligence (AI)

Computer processing speed has expanded to the point that it rivals the synaptic speed of the human brain. Rest easy, it's unlikely that computers will be able to rival relational, spatial, or creative thinking anytime soon. However, AI will continue to gain share in tackling rules-based tasks and developing algorithmic tools to analyze vast pools of data. IBM's Watson is the AI application that is familiar to most, and outside of Jeopardy competitions, it has been applied mainly to medical diagnosis determinations. But many other companies are incorporating AI into their product offerings. Over the next ten years, JAG expects AI to gradually take-over many current software applications.

\*Representative Tickers:

IBM, AMZN, CRM, AAPL, GOOGL, AAPL, MSFT, NVDA, TSLA

ARTIFICIAL INTELLIGENCE REVENUE  
WORLD MARKETS: 2016-2025



Source: Tractica

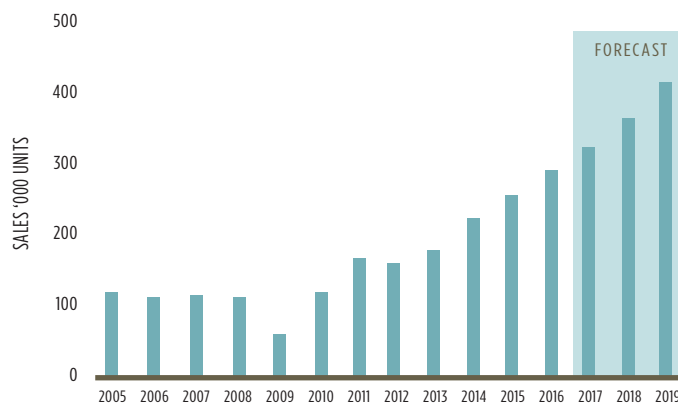
# Industrial Automation

The robots are coming! That’s what you hear in sensational media reports. In actuality, the robots have been here for a while. Production lines have added robotic welders and material handling equipment over the last several decades. The robots are increasingly efficient and reliable, making them an easier return on investment decision. What’s newer is that robots are becoming mobile. Mobility is bringing robots into new applications, everything from warehouse stocking, firefighting, bomb-sniffing, and – ultimately over the next ten years – fully autonomous cars and trucks.

\*Representative Tickers:

ROK, ABB, FANUY, IRBT, ISRG, MZOR, TSLA

THE LIFE ROBOTIC  
GLOBAL INDUSTRIAL ROBOTS



Source: International Federation of Robotics

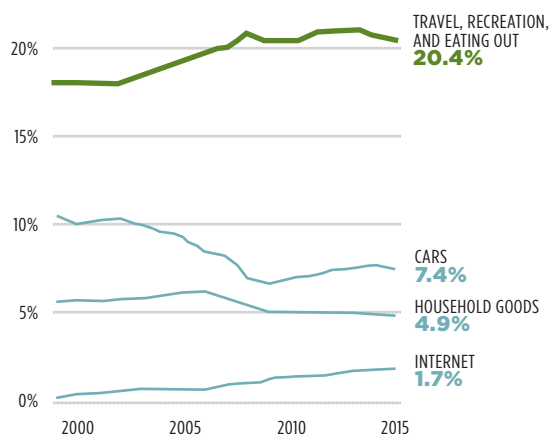
# Experiential Consumption

It has become something of a cliché that millennials are more interested in experiences than in material goods. Trends show an uptick in air travel, RV sales have hit new heights to support everything from remote living to parking lot camping, and music festival attendance is way up. It’s not only the young that are experience seekers, as “Glamping” (or glamour camping) has become a trend for the more wealthy and more experienced consumers. The movement to enjoy experiences versus acquiring more “stuff” has changed spending priorities away from retail.

\*Representative Tickers:

LYV, THO, DAL, PCLN, COLM, SNAP, SNE, FB, NFLX

SPENDING ON EXPERIENCES AND HOUSEHOLD NECESSITIES AS A PERCENT OF CONSUMPTION



Source: HSBC and Bureau of Economic Analysis Data

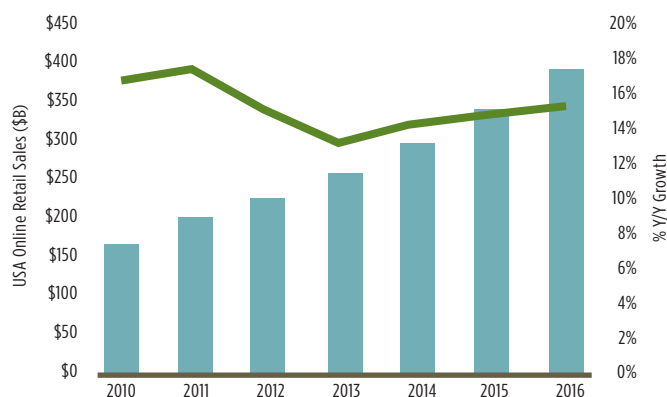
# Digital Commerce

Along with the shift to experiential consumption, ecommerce systems have evolved to the point that acquisition and selection of consumer goods is often easier and faster to accomplish from a device than a store. Ecommerce now makes up 10% of all goods purchases, and that percentage is expected to double over the next ten years. Last-mile delivery systems are under development, as are applications to align each consumer's measurements with clothing sizes. Acquisition and delivery of digital media, such as movies and video games is coming even faster.

\*Representative Tickers:

AMZN, EBAY, MELI, GRPN, PYPL, W, ETSY, WSM, HSNI, ATVI, EA

ONLINE RETAIL SALES VS. Y/Y GROWTH  
USA 2010-2016



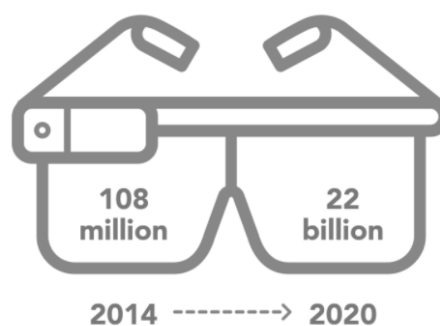
Source: St. Louis Federal Reserve FRED Database

# Modified Reality

First generation augmented and virtual reality devices were available to consumers last holiday season. While providing an immersive experience, the first articles still had some drawbacks in terms for computer power requirements and medical reactions (dizziness). Technological advancements will solve these problems of the next ten years, and consumers will become accustomed to having everyday encounters enhanced by virtual reality. While we expect the video gaming industry to be a primary beneficiary of modified reality over the next several years, longer term there are myriad business and social implications of this technology. Imagine receiving a virtual shopping assistant through your glasses or contacts, or instantaneous facial recognition for people you meet at a cocktail party or a business meeting.

\*Representative Tickers:

MSFT, FB, GOOGL, NVDA, MCHP, QCOM, EA, ON, ATVI



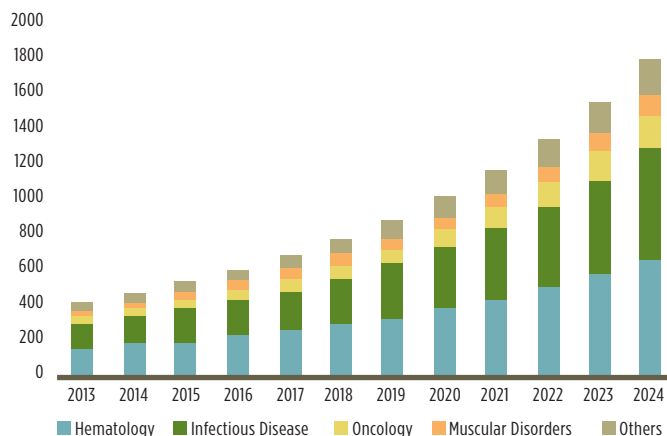
Source: Trendwatching.com, 2016

# Revolutionary Health Care

Many people already have fitness trackers, and we know that AI applications, like Watson, are already at work on improving medical diagnosing. Major advances are already being made in gene editing, immuno oncology, and genetic testing. In the last decade, scientists have effectively cured HIV, and cancer is in their sights. Add in robotic surgical and virtualization technologies, and the possibilities for better health and improved treatment are endless.

\*Representative Tickers:  
EDIT, NTLA, SGMO, ILMN, ISRG

U.S. GENE EDITING MARKET SIZE BY APPLICATION  
2013-2014 (USD MILLION)



Source: Global Market Insights

## Disclosures

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