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## GLOBAL X ETFs RESEARCH

# Chart: What Happens When Themes Converge?

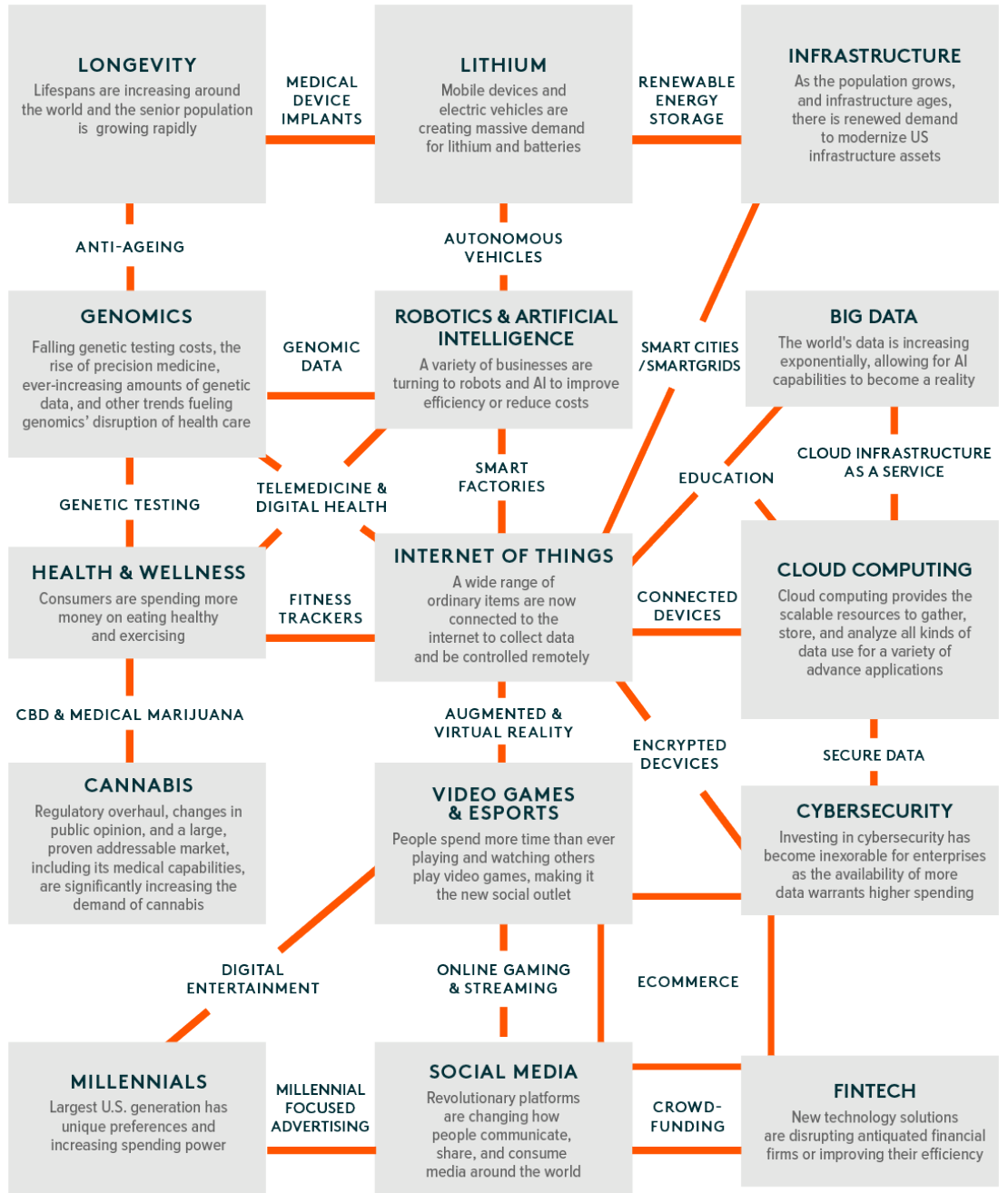
In our [Thematic Investing whitepaper](#), we wrote about how thematic investing involves identifying a powerful macro-level trend and the underlying investments that stand to benefit from its materialization. But it's important not to lose sight of the fact that effective themes rarely emerge in isolation. For example, it's no coincidence that consumers are pivoting towards [e-commerce solutions](#) from brick-and-mortar retail, while relying on the [fintech payments platforms](#) to safely process online payments. Nor is it happenstance that [genomics is emerging as a cutting-edge field in the healthcare industry](#), just as consumers demand personalized, and [optimized approaches to their health](#).

As investors vet various themes for possible inclusion in a portfolio, they may be well served by targeting similarly interconnected ideas. Researchers from McKinsey & Company, for example, wrote: "In our experience, the most attractive opportunities are found when multiple themes converge and reinforce one another..."

Why do we believe in targeting interconnected themes? The most disruptive technologies and powerful trends often require multiple themes to emerge simultaneously. For example, the development of autonomous vehicles not only depends on advancements in [robotics and artificial intelligence](#) to operate vehicles, but also on the maturation of the [internet of things](#) so an array of sensors can analyze driving conditions and interact with other cars, not to mention improvements in [lithium and battery technology](#) for cars to be able to efficiently refuel themselves. The interdependence of these technologies has no doubt contributed to their synchronous advancement. For example, many believed a limiting factor in the emergence of driverless cars was the high cost of batteries required to travel long distances. In response, however, battery producers have begun to dramatically increase production to scale down per-unit costs.

In the chart below, we highlight the specific themes targeted by Global X's Thematic Technology ETFs & People ETFs and demonstrate how various new technologies and trends are connecting these themes together.





1. McKinsey, "From Indexes to Insights: The Rise of Thematic Investing," 2014.

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