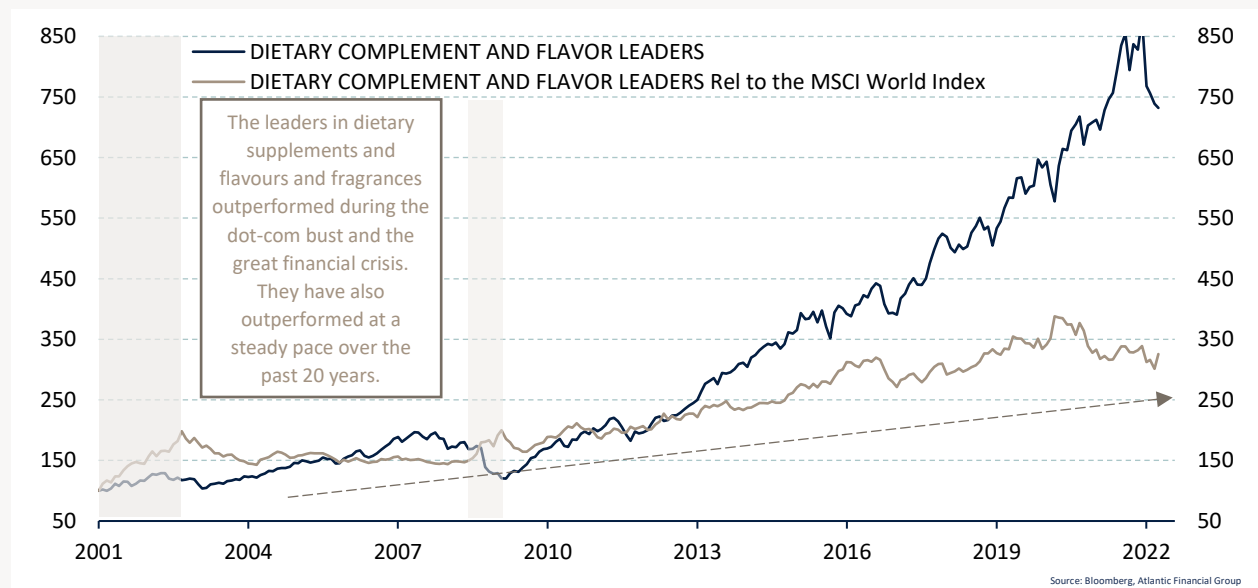




" WHAT IF A PILL COULD MAKE YOU RICH...?"

- ◆ Consumers are looking for healthy, traceable and tasty food
- ◆ The food industry and pharmaceutical groups have understood this
- ◆ Some are looking at food supplements, a growing niche sector
- ◆ Others are developing flavours that contribute to culinary innovation

CHART OF THE WEEK: "Nutrition leaders down?"



FINANCIAL MARKET ANALYSIS

The ageing population, more stressful lifestyles and the increase in chronic diseases worldwide are expected to support the growing demand for food supplements. The increasingly health-conscious population is looking for safe, traceable foods and natural, plant-based alternatives. **As a result, the global dietary supplements market could reach nearly \$307 billion by 2026, growing at around 9% per annum.**

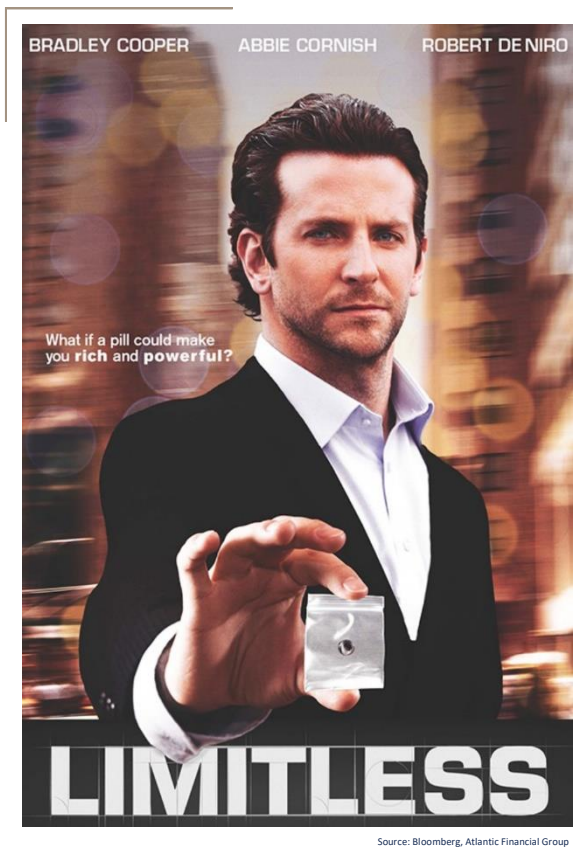


◆ Consumers are looking for healthy, traceable and tasty food

All over the world, food manufacturers are innovating and evolving to **meet consumer demand for clear labelling**, listing ingredients, their origin, production methods, respect for animals, etc. for better **transparency**.

It is not only millennials and Gen Xers who are concerned about their health: 66% of baby boomers say they are proactive about their health. **Beyond physical health and the desire to stay young longer, more and more consumers are also taking care of their mental well-being.**

Fig. 2 - The nootropics: without limits



Covid-19 may have contributed to increased stress levels, but consumers were already in less than optimal mental health before the pandemic. Poor cognitive health can increase a person's vulnerability to illness, due to its direct impact on the immune system. **As consumers take an increasingly proactive approach to improving their mental health, they are trying products that support mood, sleep, concentration and stress relief.** There is therefore great potential for products containing nootropics and adaptogens (See Fig. 2). Psychobiotics, although relatively new, also show promise in helping to relieve anxiety and depression. Commonly used nootropics include traditional Chinese medicine (TCM) herbs, supplements such as omega 3, ginkgo, fish oil and foods such as extra virgin olive oil, spinach, almonds and turmeric.

The number of people aged 65 or over is expected to reach almost 1.5 billion by 2050. As the population ages, the **prevalence of age-related cognitive decline and conditions such as Alzheimer's and Parkinson's disease will increase.** While vitamins and selenium can support cognitive function, omega-3 fatty acids may also be important as a major structural component of brain tissue. **With the exception of vitamin D, vitamins are not produced by the human body and must be obtained through the diet.** New research shows that flavonoids derived from berries may help maintain cognitive function during aging and delay the onset or progression of Alzheimer's disease. Fortifying foods with these nutrients could address the holistic health and ageing needs of older people.



Consumers are increasingly aware of the link between a healthy immune system, gut health and overall mental well-being. Food and beverage companies can take advantage of this trend to target older people who are looking for versatile products that can help them age well and continue to enjoy a good quality of life.

- ◆ Food manufacturers and pharmaceutical groups have understood this, via food supplements and flavours.

For some years now, manufacturers have been specialising in the highly profitable dietary supplements segment, including Abbott (ABT US), DSM (DSM NA), Glanbia (GLB ID), Amway and Blackmores (BKL AU), to name but a few. DSM's product portfolio appears to be very diverse today and is growing all the time. It includes vitamins, lipids, carotenoids, digestive enzymes, pre- and probiotics, human milk oligosaccharides and cannabinoids.

Fig. 3 - Selected products from the Abbott portfolio Nutrition

ENSURE®
Science-based nutrition for the strength and energy you need to help you reach your health goals.

GLUCERNA®
With CARBSTEADY® and unique blends of slow-release carbohydrates to help manage blood sugar.

SIMILAC®
A complete line of infant formulas to give babies the strongest possible start.

PEDIALYTE®
Helps prevent dehydration and replace nutrients & electrolytes lost in vomiting and diarrhea in adults, children & infants.

PEDIASURE®
Complete, balanced nutrition and delicious flavors for kids on the go.

ZONEPERFECT®
Nutrition for busy people who refuse to sacrifice great taste.

Abbott Nutrition also offers one of the broadest and most innovative product portfolios in clinical nutrition with recognized brands of leading products such as Ensure®, Abound®, Jevity®, Promote®, Fiber Plus, Glucerna®, Nepro®, Pulmocare®, Perative®, Oxepa® and PaediaSure®. (see Fig. 3)

Source: DSM, Atlantic Financial Group

In the area of flavours and taste, there are innovative and creative companies such as Givaudan (GIVN SW), Kerry (KYGA ID), Robertet (RBT FP) and Firmenich (family-owned). With their extensive portfolios of flavours, taste, functional and nutritional solutions, they work with their customers and partners to develop innovations in the food and beverage industry.



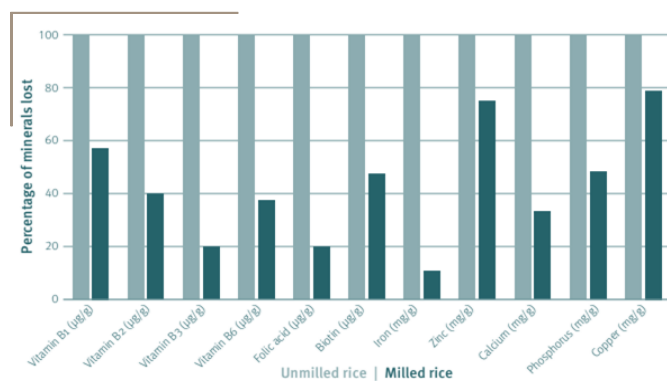
◆ Some are looking at food supplements, a growing niche sector

Dietary supplements help people achieve their nutritional goals, for example, in **building muscle strength, promoting a strong immune system or recovering from illness**. In addition, these products help people with chronic conditions such as **diabetes, cancer and kidney disease**, or with acute indications, to get the nutrients they need and to **cope with malnutrition**. Abbott specialises in the field of nutrition. Among the products it develops and markets, ENSURE®, has become the world's leading oral nutritional supplement.

DSM has developed a family of nutraceutical products that can be easily integrated into consumers' daily diets and help them address future health issues, such as **cardiovascular health and weight management**. For example, bioactive oat beta-glucan has been shown to reduce blood cholesterol levels, reduce glycemic response and promote gut health.

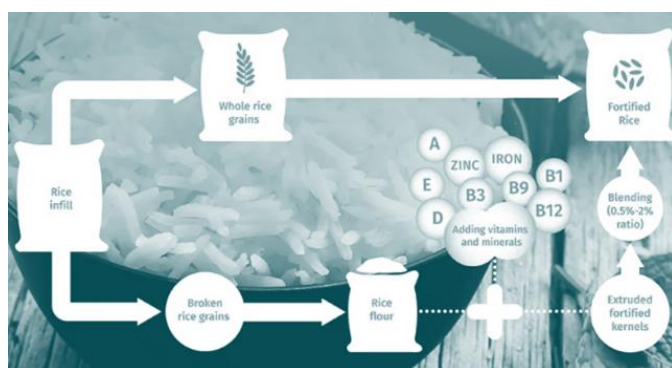
DSM is also developing solutions to **fortify foods such as rice, which lose their vitamins and minerals during the milling process** (see Fig. 4). Advances in fortification technology ensure that the added high-quality micronutrients remain stable in the rice grains (see Fig. 5). In addition to combating malnutrition, fortified rice can also be marketed to consumers to address specific health concerns, such as strengthening the immune system or boosting energy.

Fig. 4 - Effects of the milling process on rice



Source: DSM, Atlantic Financial Group

Fig. 5 - More nutritious rice through hot extrusion



Source: DSM, Atlantic Financial Group

◆ Others are developing flavours that contribute to culinary innovation

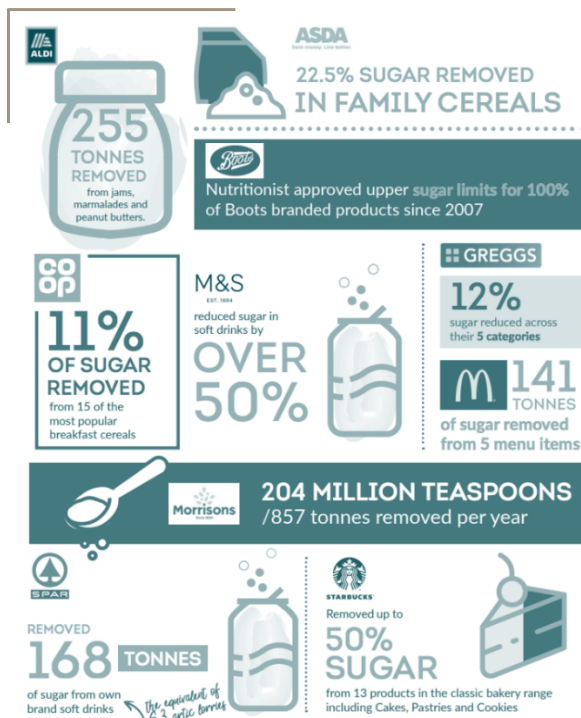
Givaudan, Kerry and their peers provide ingredients and solutions to food manufacturers to create and deliver nutritionally optimised products with authentic taste and appealing texture while managing the shelf life of foods.

Consumer tastes and habits are changing. Consumers are increasingly attracted to vegetarian foods and plant-based meat substitutes. For example, Kerry's 'Radicle' is a unique portfolio of ingredients that offers solutions for plant-based foods.

Similarly, major retail chains are highlighting their efforts to reduce the sugar content of their products (see Fig. 6). With its natural technologies, **Givaudan deploys versatile solutions to achieve sugar reduction targets in food and beverages**, while providing a taste experience that consumers appreciate.



Fig. 6 - Sugar reduction campaign



Sugar reduction campaigns have been launched by governments to reduce the health problems associated with diabetes.

Companies put it forward as a marketing argument but behind it lies a complex process of reformulating ingredients with the help of new technologies such as Nutri TasteSolutions® from Givaudan or TasteSense™ from Kerry.

Firmenich and Novozymes have jointly developed a natural sugar reduction solution TasteGEM® SWL with Saphera® lactase. This cutting-edge technology provides unprecedented natural taste performance, reducing sugar in yoghurts and other dairy products by up to 50% without the use of sweeteners.

Source: nutriticious.co.uk, Atlantic Financial Group

Finally, food preservation is not just about preserving taste and colour. The industry is currently facing **increasing concerns about food safety**. Givaudan's botanical expertise, for example, allows them to **offer solutions specifically developed to inhibit bacterial growth and food spoilage in a natural way**. XtraBlend® RN, derived from spinach and rosemary, offers a powerful natural alternative to EDTA (ethylene diamine tetra acetic acid) for mayonnaise, salad dressings and other fat emulsions.

Conclusion:

The challenge of feeding the world's population, despite climate change, requires industry to innovate to fill the nutritional gaps that are already occurring and are likely to become even more chronic in the future. In addition, the ageing population and the quest for healthy food for the body and mind offer companies active in the field good visibility for long-term growth. (See Chart of the week)

Regulations and consumers are also becoming more demanding in terms of food safety and, innovation can help address major public health challenges.





RETURN ON FINANCIAL ASSETS

Markets Performances (local currencies)	Last Price	Momentum Indicator (RSI)	1-Week (%)	1-Month (%)	2022 Year-to-Date (%)	2021 (%)	2020 (%)
Equities							
World (MSCI)	652.8	53.88	5.1%	0.2%	12.7%	19.0%	16.9%
USA (S&P 500)	4 158	53.72	6.6%	-0.4%	12.2%	28.7%	18.4%
USA (Dow Jones)	33 213	55.20	6.3%	0.0%	-7.8%	20.9%	9.7%
USA (Nasdaq)	12 131	50.73	6.9%	-2.7%	22.2%	22.2%	45.0%
Euro Area (DJ EuroStoxx)	428.1	56.45	3.9%	3.0%	-9.1%	23.5%	0.8%
UK (FTSE 100)	7 612	56.92	2.7%	2.5%	5.5%	18.4%	-11.4%
Switzerland (SMI)	11 701	46.94	3.0%	-3.2%	-7.1%	23.7%	4.3%
Japan (Nikkei)	27 369	50.94	0.2%	1.5%	-6.1%	6.7%	18.3%
Emerging (MSCI)	1 043	50.03	0.9%	0.2%	14.6%	-2.3%	18.8%
Brasil (IBOVESPA)	111 942	58.52	3.2%	2.4%	8.8%	-11.9%	2.9%
Russia (MOEX)	2 427	48.72	1.4%	-0.5%	-35.9%	21.9%	14.8%
India (SENSEX)	55 960	49.17	1.2%	-3.1%	-5.3%	23.2%	17.2%
China (CSI)	4 029	48.19	-1.8%	2.9%	18.8%	-3.5%	29.9%
Communication Serv. (MSCI World)	86.21	48.98	2.7%	1.2%	21.4%	10.9%	24.2%
Consumer Discret. (MSCI World)	308.1	49.83	6.8%	-5.1%	24.5%	9.2%	37.0%
Consumer Staples (MSCI World)	269.0	47.65	4.5%	-3.7%	-6.8%	11.7%	8.8%
Energy (MSCI World)	250.4	67.17	6.2%	14.4%	35.4%	37.5%	-27.7%
Financials (MSCI World)	138.3	56.95	5.9%	1.8%	-6.7%	25.1%	-3.1%
Health Care (MSCI World)	340.7	56.47	2.8%	0.8%	-6.9%	18.0%	15.4%
Industrials (MSCI World)	283.7	53.41	4.4%	-0.2%	13.6%	16.6%	11.8%
Info. Tech. (MSCI World)	449.6	52.41	6.6%	-0.5%	21.4%	27.6%	46.2%
Materials (MSCI World)	348.8	56.78	4.4%	1.9%	-2.8%	15.4%	21.6%
Real Estate (MSCI World)	204.9	51.83	4.1%	-4.8%	11.8%	23.6%	-5.7%
Utilities (MSCI World)	163.9	62.21	3.0%	3.1%	2.1%	11.1%	4.8%
Bonds (FTSE)							
USA (7-10 Yr)	2.74%	53.69	0.1%	0.3%	-8.9%	-2.4%	9.3%
Euro Area (7-10 Yr)	1.61%	46.64	0.2%	-1.4%	-9.6%	-2.9%	4.5%
Germany (7-10 Yr)	1.02%	43.19	-0.5%	-1.5%	-8.5%	-2.7%	3.0%
UK (7-10 Yr)	1.96%	47.61	-0.1%	-0.4%	-6.3%	-4.9%	5.4%
Switzerland (7-10 Yr)	0.78%	51.93	-0.2%	0.3%	-6.9%	-2.3%	0.4%
Japan (5-10 Yr)	0.24%	60.35	0.1%	0.3%	-1.0%	0.0%	-0.1%
Emerging (5-10 Yr)	6.88%	57.61	2.2%	0.5%	14.6%	-2.3%	5.2%
USA (IG Corp.)	4.15%	57.23	2.1%	1.4%	11.5%	-1.0%	9.9%
Euro Area (IG Corp.)	2.30%	40.21	0.3%	-0.7%	-8.2%	-1.0%	2.8%
Emerging (IG Corp.)	6.70%	49.01	1.0%	-0.6%	13.0%	-3.0%	8.1%
USA (HY Corp.)	7.07%	61.86	3.1%	0.2%	-8.1%	5.3%	7.1%
Euro Area (HY Corp.)	5.74%	40.90	0.4%	-1.4%	-8.3%	3.4%	2.3%
Emerging (HY Corp.)	9.63%	53.07	1.9%	-0.7%	10.9%	-3.2%	4.3%
World (Convertibles)	373.8	49.81	2.6%	-2.5%	14.7%	2.4%	38.8%
USA (Convertibles)	496.6	48.96	2.9%	-3.9%	16.3%	3.1%	54.5%
Euro Area (Convertibles)	3 619	41.43	0.7%	-2.8%	11.9%	-0.3%	6.1%
Switzerland (Convertibles)	177.2	41.15	-0.1%	-0.5%	-4.7%	-0.5%	0.5%
Japan (Convertibles)	196.6	53.06	0.2%	0.6%	-2.1%	3.3%	2.8%
Hedge Funds (Crédit Suisse)							
Hedge Funds Indus.	745.0	74.84	n.a.	0.4%	n.a.	8.2%	6.4%
Distressed	965.8	72.69	n.a.	0.1%	n.a.	12.5%	3.8%
Event Driven	788.1	64.08	n.a.	-0.8%	n.a.	12.9%	7.0%
Fixed Income	387.6	64.71	n.a.	-0.5%	n.a.	5.2%	3.6%
Global Macro	1 443	84.71	n.a.	3.1%	n.a.	9.6%	6.5%
Long/Short	880.0	38.07	n.a.	-1.3%	n.a.	8.3%	7.9%
CTA's	400.8	80.80	n.a.	4.4%	n.a.	8.2%	1.9%
Market Neutral	287.2	59.73	n.a.	-0.9%	n.a.	6.2%	1.7%
Multi-Strategy	727.7	71.70	n.a.	1.3%	n.a.	7.0%	5.6%
Volatility							
VIX	25.72	44.43	-12.6%	-18.6%	49.4%	-24.3%	65.1%
VSTOXX	23.85	37.27	-16.8%	-27.2%	23.8%	-17.6%	67.5%
Commodities							
Commodities (CRB)	629.6	n.a.	-0.3%	-1.6%	8.9%	30.3%	10.5%
Gold (Troy Ounce)	1 862	48.88	0.5%	-1.8%	1.8%	-3.6%	25.1%
Oil (WTI, Barrel)	115.07	60.63	1.8%	12.8%	49.5%	58.7%	-20.5%
Oil (Brent, Barrel)	119.47	63.33	4.0%	13.9%	53.4%	51.4%	-23.0%
Currencies (vs USD)							
USD (Dollar Index)	101.53	42.73	-0.5%	-1.4%	6.1%	6.4%	-6.7%
EUR	1.0747	57.07	0.5%	2.3%	-5.5%	-7.5%	9.7%
JPY	127.25	53.09	0.5%	2.3%	-9.6%	-10.2%	5.1%
GBP	1.2625	53.06	0.3%	1.1%	-6.7%	-1.0%	3.1%
AUD	0.7177	55.23	1.0%	1.8%	-1.2%	-5.6%	9.6%
CAD	1.2700	57.44	0.5%	1.4%	-0.5%	0.7%	2.1%
CHF	0.9567	61.78	1.0%	2.2%	-4.6%	-3.0%	9.4%
CNY	6.6511	47.95	0.0%	-0.6%	-4.4%	2.7%	6.7%
MXN	19.526	69.85	1.8%	4.8%	5.1%	-3.0%	-5.0%
EM (Emerging Index)	1 694.7	53.22	0.5%	0.0%	-2.3%	0.9%	3.3%

Source: Bloomberg, Atlantic Financial Group

Total Return by asset class (Negative \ Positive Performance)



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