



Genes: Identifying structural long-term trends driving sustainable investing

In the third of this three-part series, **Daphne Tsang, Fund Manager** at Royal London Asset Management, discusses how the natural world is undergoing a multi-decade investment boom and the wide range of investment opportunities present for our sustainable range.



Atoms, bytes and genes represent our way of thinking about the evolution of the physical, digital and natural worlds, which constitute everything around us. Ample evidence suggests that trends in these areas will drive growth in the corporate world for many years to come.

We live in an increasingly uncertain environment driven by a changing macroeconomic environment and financial market structure. From a macroeconomic standpoint, the 2010s were a unique period characterised by a stable environment of low growth, low inflation and low interest rates. The pandemic was the trigger to exit this environment; what the new environment is, only time will tell. Meanwhile, financial markets are increasingly driven by passive, algorithmic trading which is creating significant short-term volatility.

Yet, while this environment of increased uncertainty and volatility is confusing a lot of investors, we believe the microeconomic trends are strengthening, and focusing on them makes it easier for us to understand the world. Our framework to analyse these microeconomic trends is via atoms, bytes and genes.

What are Genes?

Genes refers to the biological world and encompasses the innovations transforming healthcare, biotechnology, and life sciences. Just as bytes represent the digital world and atoms the physical world, genes capture the revolution happening within the natural world—driven by breakthroughs in genomics, diagnostics, therapeutics, and personalised medicine.

We believe we are at the beginning of a multi-decade innovation cycle in healthcare. The convergence of biology and technology is unlocking new

frontiers in disease prevention, diagnosis and treatment. Global healthcare spending is expected to exceed US\$10 trillion by 2025¹, driven by demographic pressures, chronic disease burdens and innovation in biotech and digital health.

The Covid-19 pandemic accelerated innovation, with mRNA vaccines demonstrating the potential of programmable medicine. Since then, we've seen a surge in investment into cell and gene therapies, liquid biopsies, and AI-driven drug discovery.

We are entering an era where healthcare is more precise and proactive. Robotic-assisted surgeries are improving outcomes with c25% shorter operative time, c30% fewer complications and c15% faster recovery times compared to manual methods². Meanwhile, hospitals are adopting AI and data analytics to enhance efficiency, reduce costs, and improve patient care³. These innovations are reshaping hospital management, enabling smarter staffing, predictive maintenance, and better patient outcomes.

¹ [Health Financing and Economics](#)

² [The rise of robotics and AI-assisted surgery in modern healthcare | Journal of Robotic Surgery](#)

³ [Revolutionizing Healthcare with AI and Real-Time Data](#)

Why is it happening?

In our view, there are four structural drivers behind the gene revolution: First, ageing populations and rising chronic disease prevalence are straining traditional healthcare systems. Innovation is essential to improve outcomes and reduce costs. Second, AI, cloud computing, and advanced analytics are transforming drug discovery, diagnostics, and clinical workflows. Companies like NVIDIA and Alphabet are now key players in healthcare innovation. Third, CRISPR, base editing and RNA technologies are enabling precise interventions at the genetic level. These platforms are being used to treat rare diseases, cancers and even infectious diseases. Finally, governments and regulators are increasingly supportive of innovation, with expanded fast-track approval programs, strategic public-private partnerships, and targeted funding for biotech hubs.

How can investors benefit?

We believe genes represent one of the most compelling long-term investment opportunities, aligned with our goal of investing in companies that make positive contribution to a clean, healthy, safe and inclusive world. Opportunities span across biotech and genomics (e.g. gene therapies, RNA platforms, and precision oncology solutions), diagnostics and tools (e.g. sequencing technologies, liquid biopsies, and AI-powered diagnostic platforms), healthcare technology and data (e.g. digital health infrastructure and predictive analytics), life science infrastructure (e.g. CDMOs – Contract Development and Manufacturing Organisations and lab equipment), surgical innovation (e.g. robotic-assisted surgery), and hospital systems and management where AI is helping to enhance care delivery and efficiency.

We are particularly excited by companies that combine biological insight with digital capability – where the lines between bytes and genes begin to blur. Just as semiconductors power AI, genomic data powers personalised medicine. Similarly, robotic platforms and hospital analytics are transforming how care is delivered, monitored and scaled.

A few examples include:



Intuitive Surgical: A pioneer in robotic-assisted surgery, Intuitive Surgical develops and manufactures the da Vinci surgical system, which enables minimally invasive procedures with enhanced precision, control and visualisation. These systems are used across a wide range of specialties including urology, gynaecology and general surgery, reducing complications, shortening recovery times and improving outcomes for patients.



AstraZeneca: A science-led biopharmaceutical company focused on the discovery, development and commercialisation of prescription medicines, AstraZeneca is at the forefront of innovation in oncology, cardiovascular, renal and respiratory diseases. The company's investments in mRNA technology, targeted therapies and AI-driven drug discovery are helping to address unmet medical needs and improve patient outcomes.



HCA Healthcare: One of the largest healthcare providers in the United States, HCA operates hospitals, surgery centres and urgent care clinics. The company leverages data analytics and clinical research to improve patient care, reduce readmissions and enhance operational efficiency. HCA's scale and focus on innovation allow it to deliver high-quality care to millions of patients.

Contact us

For more information about our range of products and services, please contact us.

Royal London Asset Management has partnered with FundRock Distribution S.A, who will distribute its products and services in the EEA. This follows the United Kingdom's withdrawal from the European Union and ending of the subsequent transition period, as UK Financial Services firms, including Royal London Asset Management, can no longer passport their business into the EEA.

Royal London Asset Management

80 Fenchurch Street,
London EC3M 4BY

For advisers and wealth managers

bdsupport@rlam.co.uk
+44 (0)20 3272 5950

For institutional client queries

institutional@rlam.co.uk
+44 (0)20 7506 6500

For any queries or questions coming from EEA potential investors, please contact:

Arnaud Gérard, FundRock Distribution S.A. Airport Center Luxembourg, Level 2, 5 Heienhaff,
L-1736 Senningerberg, Luxembourg +352 691 992088 arnaud.gerard@fundrock.com

For further information, please visit www.rlam.com

We are happy to provide this document in braille, large print and audio.

Important information

For professional investors only. This material is not suitable for a retail audience. Capital at risk. This is a financial promotion and is not investment advice. Past performance is not a guide to future performance. The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

Company examples although held in our portfolios, are for illustrative purposes only. Company examples are not representative of all investments in our portfolios and should not be considered as a recommendation to buy or sell.

All company examples are based on non-performance criteria and have been selected as they support the theme presented in this article. Portfolio characteristics and holdings are subject to change without notice.

The views expressed are those of the author at the date of publication unless otherwise indicated, which are subject to change, and is not investment advice.

Telephone calls may be recorded. For further information please see the Privacy policy at www.rlam.com.

Issued in August 2025 within Europe (ex-Switzerland) by FundRock Distribution S.A. ("FRD") the EU distributor for Royal London Asset Management Limited. FRD is a public limited company, incorporated under the laws of the Grand Duchy of Luxembourg, registered office at Airport Center Building 5, Heienhaff, L-1736 Senningerberg, Luxembourg, and registered with the Luxembourg trade and companies register under number B253257. FRD is authorized as distributor of shares/units of UCIs without making or accepting payments (within the meaning of Article 24-7 of the 1993 Law), as updated from time to time. FRD is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Portfolio management activities and services are undertaken by Royal London Asset Management Limited, 80 Fenchurch Street, London, EC3M 4BY, United Kingdom. Authorised and regulated by the Financial Conduct Authority in the UK, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

For Switzerland: Copies of the Memorandum and Articles of Association, the Prospectus, KIIDs and the annual and semi-annual reports of the strategy may be obtained free of charge from the strategy's representative in Switzerland, ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich. The Paying Agent in Switzerland is Banque Cantonale Vaudoise, Place StFrançois 14, CH-1003 Lausanne.

For Australia: For Wholesale clients only. Royal London Asset Management Limited is exempt from the requirement to hold an Australian financial services licence under the Corporations Act (as a result of the operation of ASIC Class Order 03/1099 as amended by the ASIC Corporations (Repeal and Transitional) Instrument 2016/396 and extended by ASIC Corporations (Amendment) Instrument 2020/200) in respect of the financial services it provides to wholesale clients in Australia and is regulated by the Financial Conduct Authority under UK laws which differ from Australian laws.

Issued in August 2025 within Switzerland, Australia and the UK by Royal London Asset Management Limited, 80 Fenchurch Street, London, EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

Ref: PDF RLAM PD 0283

