

**Jennison Associates**  
**Fintech and Ecommerce: Opportunities in Innovation**  
**Mark Baribeau – Managing Director, Head of Global Equity**  
**Tom Davis – Managing Director, Portfolio Manager**

**Audio starts**

Mark ([00:03](#)):

Hi, I am Mark Baribeau, Global Equity Portfolio manager.

Tom ([00:07](#)):

And I'm Tom Davis, Global Equity portfolio Manager.

Mark ([00:10](#)):

If we use one great example of what's going on that mimics that kind of innovation that we see in developed markets is what's going on in Latin America with leading technology platforms that are addressing huge unmet need in the marketplace there, both in e-commerce and financial technology. That access that those consumers never had is now ubiquitous across the region thanks to that kind of platform.

Tom ([00:39](#)):

Yeah, I was actually in Latin America just last week with a couple of our analysts on a phenomenal trip meeting with a number of both e-commerce companies as well as FinTech companies. And in some cases, the lines blur, and some of them are in both areas. But it's interesting to recognize how much of the emerging markets often are basically unbanked. They don't have access to the kind of financial services that you and I and the developed world have. And that's creating a lot of opportunities for very disruptive, digitally oriented companies to come in and offer financial services to a much broader swath of populations that historically have been ignored by the traditional big commercial institutions who have really just focused in on the upper segments of the wealth in these economies. And so we're seeing take a company or country like Mexico, 130 million people, 90 million of which are addressable, but only half of those are actually banked today. So it opens up that opportunity to create basic services, savings accounts, payment mechanisms for large portions of populations that have never had that capability.

Mark ([01:51](#)):

Right. And that leads to a much larger observation that we've had over the years, and that is companies that consistently deliver services to consumers where there's huge unmet need and they're just solving for that marketplace, solving for convenience, for low price, importantly in emerging markets for access. Those turned out to be big winners because the market opportunity's large and consumers are looking for that. So when we can find an opportunity like that in a region or a country that's large.

Tom ([02:28](#)):

There's another benefit here. Take an e-commerce platform in an emerging market country. In the early days, 10, 15, 20 years ago, many of their consumers didn't have an ability to actually pay for goods that

they wanted to purchase online. Very inefficient system, often involving the payment of cash upon delivery of the item. Not very secure by any means. And that has led to some of these e-commerce platforms creating the mechanisms that FinTech financial services capability to help facilitate commerce. And so you have businesses that oftentimes are involved in both, and it's allowed for a whole new revenue stream, a whole new business to spring up adjacent to the original commerce platform. In some ways, that also provides an opportunity to, in one of those limited instances where one plus one may actually equal more than two, because those companies on the commerce side and the FinTech side are able to marry the data that comes from both the data around consumption. On the one hand, the purchasing habits of a consumer with the knowledge of what's in their savings account, what do they have available to pay, how much could they offer in terms of credit potential or credit extension. And so that helps facilitate even more buying power of that same consumer on their commerce platform. So it goes back and forth. The synergies there are really quite interesting as a business model to understand and think about and invest in.

Mark ([04:00](#)):

Yeah, no, it's always exciting to find these transformational breakthroughs going on around the world because if you can exploit them early, they really can be quite impactful on portfolio returns. So it's just a great area to look into.

Tom ([04:19](#)):

And very disruptive to the broader incumbent entrenched businesses in many of these locations.

Mark ([04:25](#)):

So we continue to find these exciting opportunities around the world. And the beauty of finding these great structural growth stories like this, of course, is we don't have to spend so much time on the macro and all the volatility that comes with sentiment with that, and demand trends. Because if a company's truly offering something unique with a unique approach to the marketplace, demand tends to grow even through turbulent times. And that is the best kind of investment we think you can make because you're insulated from all of that noise.

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