

# What my daughter's reaction to a BlackBerry tells us about investing in megatrends

Published 16 June 2026

**Pierre Debru**

Head of Research, WisdomTree Europe.

## Key Takeaways

- Themes do deliver but value concentrates in very few companies. History repeats itself: from Kodak to Blockbuster, themes succeed while most individual companies in them do not.
- In thematic investing, the cost of missing a winner outweighs the cost of holding a loser. Returns are asymmetric: a losing position can cost at most 100%, whereas a winning position can return 1,000% or more.
- Diversification is not a compromise; it is the strategy. A disciplined, broad thematic basket may give you the opportunity to hold the next Amazon before it becomes obvious.
- Related Products WisdomTree Megatrends UCITS ETF - USD Acc, WisdomTree Tech Megatrends UCITS ETF - USD Acc [Find out more](#)

Last summer I visited a Museum of Communication with my 12-year-old daughter. We wandered through rooms, moving from telegraphs to rotary phones and fax machines. Near the end of one gallery, a single glass case displayed two objects side by side: an iPhone and a BlackBerry. I pointed to the BlackBerry with quiet nostalgia. "When I was your age, that was the phone everyone wanted." She studied it for a moment, then giggled. "But the keyboard isn't part of the screen."

That reaction said everything. What had once been a status symbol had become an outdated curiosity. Mobile communication delivered on its promise spectacularly, but the value it created was not shared evenly. Research in Motion held roughly 20%<sup>1</sup> of the global smartphone market in 2009. By 2013, that share had collapsed to under 3%<sup>1</sup>. Apple, which launched the iPhone to near-universal scepticism from industry incumbents, went on to capture an outsized share of the entire market's profits. The theme succeeded. Most of the companies within it did not.

## History tends to rhyme; investors should learn from it

What is striking about this story is how familiar it feels across almost every major megatrend.

Take photography. Kodak dominated consumer imaging for most of the twentieth century. Remarkably, it was a Kodak engineer who invented the first digital camera in 1975<sup>2</sup>. Management buried it to protect

the film business. The digital revolution happened anyway, without them, and Kodak filed for bankruptcy in 2012.

The internet followed the same script. Yahoo was the gateway to the web for millions in the late 1990s. They had the brand, the traffic, the resources. Amazon looked like a modest online bookshop with questionable profitability. Yet Amazon grasped something Yahoo never did: the internet was not just a new medium, it was new infrastructure. Today Amazon's cloud division alone generates more profit than most listed European companies.

Same stories, more recently, with social networks or home videos. MySpace peaked at 75.9 million<sup>3</sup> monthly visitors in 2008. Facebook was the scrappy challenger. Within a few years, the positions had completely reversed. Netflix approached Blockbuster about a partnership when it was generating \$600 million in revenue. Blockbuster turned it down. It filed for bankruptcy in 2010.

The pattern is consistent: themes tend to deliver over the long term, but equity markets are a 'Winner takes all' game. The rewards tend to flow to a very small number of companies, and those companies are rarely the ones that look safest at the start.

## The maths behind the asymmetry

Here is the part that is easy to miss. Megatrends or themes are relatively easy to recognise early on. The Internet in the late 90s or the mobile phone in the early 00s did feel transformational, but identifying the future winners with confidence that early is significantly harder, if not impossible. Amazon went public in 1997 as an online bookshop valued at under \$500 million<sup>4</sup> when Yahoo was dominant. Nvidia was a niche graphics chip maker well into the 2010s until the launch of ChatGPT made it the world's largest company. Thematic winners become obvious only in retrospect.

This is the fundamental challenge of thematic investing: the companies that ultimately capture most of the value created by a megatrend are rarely those that look like the safest bets at the start, and the cost of missing them is severe. Losers can cost you 100%. Winners can return 1,000% or more.

That asymmetry is illustrated by a simple example. A diversified basket of the 10 largest internet stocks at the end of 1998 outpaced the S&P 500 by nearly two percentage points per year over the following 24 years<sup>5</sup>, despite only three of those companies surviving to this day. Yet any concentrated five-stock selection drawn from the same pool had a 60% chance of underperforming the market<sup>5</sup>, simply because the odds of including one of those three survivors were so limited. The analysis suggests that missing a long-term winner can have a greater impact on returns than holding several unsuccessful companies.

## What this means for thematic investing

The counterintuitive conclusion is that an overly high conviction can be a liability in thematic investing. The more confident you are that you can identify the next Apple in advance, the more likely you are to build a portfolio that misses it.

Having said that, this is not an argument for undifferentiated exposure either. Buying a broad technology index simply captures established mega-caps already and does not capture high-growth companies. That is large-cap technology exposure, not thematic investing.

A thoughtful thematic exposure combines:

- Theme alignment with a portfolio construction that is tailor-made to capture the theme
- Thematic expertise, combining rigorous research capacity with on-the-ground knowledge that goes beyond pure financial analysis
- A focus on pure players, that is, companies where a meaningful share of revenues is directly tied to the theme
- Differentiation, with low overlap to broad market and technology benchmarks
- Transparency and discipline, so that investors understand precisely what they own

The goal is a basket broad enough that the future winners are unlikely to be missing from it, yet not so narrow that a single wrong call destroys the thesis. Wherever the next Amazon emerges, it should already be there.

## Putting it into practice

This philosophy underpins the [WisdomTree Megatrends UCITS ETF \(WMGT\)](#) and the recently launched [WisdomTree Tech Megatrends UCITS ETF \(TMGT\)](#). The WisdomTree Megatrends UCITS exchange-traded fund offers access to 19 themes spanning technological, environmental, and social megatrends, from artificial intelligence (AI) and quantum computing to renewable energy and European defence, through a diversified, expert-driven basket with strategic and tactical allocation between themes. WisdomTree Tech Megatrends UCITS ETF applies the same discipline specifically within the technology universe, across AI, cybersecurity, blockchain, space and quantum computing. Both strategies are built around the recognition that identifying future winners in advance is difficult. Their diversified approach seeks to provide exposure across a range of companies and themes that may benefit from long-term structural trends.

## Back to the museum

My daughter's giggle at the Blackberry was not mockery. It was just honesty. She had grown up in the world Apple built, and from where she stood, the physical keyboard was simply a design that lost. She had no way of knowing it had once been a status symbol for an entire generation.

That is the nature of thematic disruption. The shift tends to be faster and more complete than anyone expects and the value flows entirely to the companies that define the new paradigm. For investors, the lesson is not to predict who wins. It is to make sure your portfolio is broad enough that whoever wins, you are already holding them.

While thematic investing can provide exposure to long-term structural growth trends, it also involves risks. Many companies associated with emerging themes may fail to achieve commercial success, and thematic

portfolios can experience periods of significant volatility and underperformance. The future winners of a theme cannot be identified with certainty, and diversification does not eliminate investment risk or guarantee positive returns.

1 Source: Statista, 2026. RIM's global smartphone quarterly market share 2007–2016.

2 Source: National Inventors Hall of Fame, Steven Sasson.

3 Source: comScore, via Bloomberg Businessweek, December 2008.

4 Source: Investopedia, Amazon IPO history, May 1997.

5 Sources: WisdomTree, Bloomberg as of 30/06/2023. **Historical performance is not an indication of future performance and any investments may go down in value.**

## Important Risks Related to this Article

### IMPORTANT INFORMATION

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland.

**Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority.

WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request.

**This marketing communication is intended for all investors; however, the WisdomTree products described in this document and related materials may be restricted in certain jurisdictions and may only be available to particular categories of investors in accordance with applicable laws and regulations. Where a product is not authorised or its distribution is restricted in your jurisdiction, it is the responsibility of any person or entity in possession of this information to inform themselves of, and comply with, all relevant restrictions. Before making any investment, investors should seek appropriate legal, regulatory, tax and investment advice to assess the suitability and implications of investing in these products. Information about WisdomTree products is available at [wisdomtree.eu](http://wisdomtree.eu). WisdomTree does not offer investment advice tailored to individual circumstances. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.**

An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any

province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes.

This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents.

This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements.

### **WisdomTree Issuer ICAV**

Certain funds referred to in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an open-ended, umbrella-type Irish Collective Asset-management Vehicle with segregated liability between sub-funds and is authorised by the Central Bank of Ireland ("CBI") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Irish law. Each fund is represented by a separate class of shares (the "Shares") issued by WT Issuer.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at [www.wisdomtree.eu](http://www.wisdomtree.eu). Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled »Risk Factors¼ for further details of risks associated with an investment in the Shares.

The summary of investor rights associated with an investment in the fund is available in English on WisdomTree Europe¼s website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to

redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.

**For Investors in Switzerland:**

This document constitutes an advertisement of the financial product(s) mentioned herein.

The prospectus (in English only) and the key investor information documents (KID) (in German, French and Italian) are available from WisdomTree's website <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports>

**For WisdomTree UCITS products only:** the representative and paying agent of the ETPs in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent. Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA may only be available to Qualified Investors.

**For Investors in France:**

The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto.

**For Investors in Malta:** This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the

Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority.

**For Investors in Monaco:** This communication is only intended for duly registered banks and/or licensed portfolio management companies in Monaco. This communication must not be sent to the public in Monaco.

**For Investors in Israel:** Offering materials for the offering of the Shares and securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. The products mentioned herein have not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute “an offer to the public” under sections 15 and 15a of the Israel Securities Law, 5728-1968 (“the Securities Law”) or section 25 of the Joint Investment Trusts Law, 5754-1994 (“the Joint Investment Trusts Law”), as applicable. The products are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (“the Addendum”) to the Securities Law, “Sophisticated Investors”) who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority.

This prospectus or this document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a product is purchasing such product for its own benefit and account and not with the aim or intention of distributing or offering such product to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing a product for another party which is a Sophisticated Investor).

Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. A recipient of this document may be required to provide confirmation that it is a Sophisticated Investor purchasing a product for its own account or, where applicable, for other Sophisticated Investors.