

Insights Letter
Building a resilient society

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1. Building a more resilient society via investing with purpose will be essential

In the post-pandemic era, building a more resilient, inclusive and responsible society will be a prerequisite. Directing capital flows towards investing with purpose allows to build a society with a sustainable infrastructure, to fulfil human and business needs, and to obtain decent financial returns. The building of smart cities based on the principles of the circular economy in order to tackle societal and environmental issues will be a key investment area in the coming years ¹⁻².

2. 77% of cities are set to experience a different climate regime

A recent research from the ETH in Zurich finds that 77% of future cities are very likely to have a climate that is closer to that of another existing city than to its own current climate. 22% of cities will experience a climate that are not currently experienced by any existing major cities. This research predicts that Madrid's climate in 2050 will resemble Marrakech's climate today, Stockholm will resemble Budapest, London to Barcelona, Moscow to Sofia, Seattle to San Francisco, and Tokyo to Changsha (a city in China), as shown on the left in Fig. 1 ³.

A recent GSIA study underlines the growth of sustainable investments: 11% in Europe, 38% in US and 307% in Japan in the 2016-2018 period. This pinpoints the trend of investing with a longer view in order to allow tackling societal and environmental needs ⁴.

The success of the green social political movements in the Swiss elections on the 20th of October will transform the Swiss economic and political landscape towards a greener and a more inclusive society.

Fig.1: Possible evolution of cities without climate action (right).



3. Demographic, technology and climate shifts are key societal and economic drivers

Cities are the engines of economic growth, generating almost 85% of global GDP. They are the places where people live, work, innovate, meet and consume the most considerable amounts of resources. Cities play a pivotal part in the transition to a sustainable economy, hence to a circular economy.

The population is set to increase by 1 bn to reach close to 9 bn people in 2035. Urban population, i.e. people living in cities, will rise from today's 54% to 62% by 2035 and close to 70% by 2050. Building a sustainable infrastructure by applying the principles of a circular economy will be essential in addressing societal and environmental issues such as climate change and future energy, water and food needs ⁴.

4. New technologies with a marked societal impact and conclusions

Smart cities and infrastructure, built with the principles of circular economy, will increasingly make use of new building materials, smart grids, smart city components, 5G tech, connected devices as well as renewable and biodegradable resources. These transformative i.e. disruptive technologies will be the base for innovative products in energy, automotive and industrial fields and are set to have a marked societal impact (see Fig. 2).

New smart materials and infrastructure with related technologies allow for big resource efficiency gains

- wooden building floors use up to 1/5 – 1/3 of energy and emit up to 1/10 – 1/8 of CO₂ vs quantities for concrete - steel building floors
- greater material, energy, water and cost savings of as well as carbon and pollution alleviation and creation of many innovative products in IT, industrial, transportation and energy storage fields

Enterprises producing these technologies contribute to achieve SDG 3 and 6-12.



Fig. 2: New smart materials and infrastructure with a marked impact (Source: industry data, WEF, UN, DuraWealth)

DuraWealth's core competence englobes a rigorous research process allowing to define secular growth areas, to analyse the related technologies and the most innovative companies, and to manage distinct systematic equity portfolio strategies. Secular growth areas as such are likely to flatten swings of traditional economic cycles. A longer view allows to optimally benefit from the related market dynamics.

For more information or sharing your views, get in touch with us and follow us at the [LinkedIn](#) , via our Website durawealth.com or at [insight\(at\)durawealth.com](mailto:insight(at)durawealth.com)

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- Note: SDG denotes the 17 Sustainable Development Goals of the United Nations as part of its Agenda 2030¹⁻².

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