

DECALIA CIRCULAR ECONOMY

The DECALIA Circular Economy strategy invests in companies that will structurally benefit from the Circular Economy transition.

As the world becomes plagued by the waste and natural resources depletion problems, a new yet more sustainable way of thinking about consumption and production, the Circular Economy, is taking the stage.

The strategy invests in the sectors of **nutrition** (waste reduction), **health** (promote prevention), **innovative industries** (smart materials), the **sharing economy** and **environment** (water, waste, renewable energies).

DECALIA'S INVESTMENT THEMES

The strategies developed by DECALIA focus on four investment themes deemed promising in the long term:

- Quest for yield
- Disintermediation in the banking sector
- New consumer trends
- Market inefficiencies

DECALIA ASSET MANAGEMENT

Established in Geneva in 2014, the DECALIA group is active in private and institutional investment management. DECALIA manages CHF 3.9 bn of client assets with a staff of 45 people.

Geared to practical solutions, DECALIA constantly looks for solutions able to generate a higher risk-adjusted performance for its clients, while ensuring the highest level of service. Its investment philosophy is based on several fundamental principles: stringent risk management, capital preservation, an active management style and selection of the best talent.

DECALIA is regulated by FINMA through a collective investment manager's license (LPCC).

Information www.decaliagroup.com

DECALIA Circular Economy

March 2020

SPECIAL COMMENT

COVID-19: Remote Work a new normal?

- At the time of writing this note, more than 3 billion people are confined to homes across the world due to COVID-19.
- Remote work is now undoubtedly becoming the “new normal” for many businesses, even with the presence of children at home.
- Remote Work has always been one of the sub themes in our DECALIA Circular Economy strategy, given the benefits it creates on environment, productivity and morale.
- While the speed of adoption was supposed to be gradual, given the severity and magnitude of the current lockdown, Remote working is now being adopted by almost everyone. However, we must ask ourselves, is this change in working behavior here to stay?



An empty office in France on 24 March



An empty Wall Street on 21 March

* (i) Professional investors, as defined in Annex II to Directive 2004/39/EC, who are established in another Member State of the European Union; (ii) Swiss qualified investors, as defined in Article 10(3), (3a) and (3b) of the Collective Investment Schemes Act (CISA).

To identify the winners of Remote Work, we analyzed what are the main requirements to operate efficiently outside traditional offices.

Do you have a PC at home? After years of slowdown, the PC market is currently witnessing a boom as tablets and smartphones are often not enough to work remotely.

Companies we like in that space:

- Apple and Microsoft as manufacturers and Best Buy in the retailing space

VPN the new buzzword, but what does it mean? A virtual private network (VPN) is a network that uses the internet to connect remotely employees to their office PC and company network.

Companies we like in that space:

- Cisco Systems, Amazon and Microsoft

Let's do a Zoom, shall we? The US company Zoom, a leader in the virtual communication tools, is vastly popular those days. Video conferencing has rapidly become the new meeting norm lately, and many legacy IT players are involved.

Companies we like in that space:

- Microsoft (Lync and Skype) and Adobe are leaders in that space

More internet connections, more download, can the system handle it? Netflix, YouTube announced they lowered the quality of its streaming video to users in Europe to reduce traffic and avoid straining the internet. More data centers and more cloud capacities are required to keep up with the increase charge to the network and ensure its functioning with no hurdles.

Companies we like in that space:

- Amazon, Google, Microsoft and in the infrastructure space Cisco and Prysmian

Is this change in working behavior here to stay? Before the crisis, Remote Work was already a very popular trend among employees with 74% of the workforce preferring a job that offers the possibility to work remotely. Among the popular arguments in favor are:

- Less time lost commuting
- Better balance between professional and private life
- Lower stress level

Remote work not only offers benefits for employees, but also is beneficial for employers. It enables companies to:

- Access a larger talent pool with no geographical boundaries
- Increase efficiency and productivity inducing higher job satisfaction rate
- Costs savings by reducing office rents, utility bills and office furniture

Finally, images of empty streets in Europe or in the US are all over the press and, while everyone stresses the negative impact on the economy, there is one clear winner in this situation: our Planet!

- Reduced fuel usage as people stay home
- Lower office waste as employees favor digital
- Reduced congestion causing less noise and air pollution
- Ultimately a dramatic drop in greenhouse gas emissions

Remote Work was already gaining traction before the lockdown but some companies were still questioning its viability both in terms of productivity and in terms of reliability. With the actual forced shift from offices to homes, we believe that, after the lockdown, the remote work will continue its progression and revolutionize the modern workspace for good.

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