



B E R G O S

THIS IS THE MONTHLY NEWSLETTER  
BY AND FOR  
THE BERGOS NEXT COMMUNITY.

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N E X T  
M O N T H

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THIS MONTH IS:  
**NOVEMBER**

Invitation

Next Investor

# Capital Markets

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*15th November 2022 – via Teams  
13:00 pm – 14:00 pm CET*

*You wonder how to invest in  
uncertain times? We have answers!  
Join us for our call....*



**With**  
**Frederik Carstensen & Maximilian Mahn**

PLEASE CONTACT THE BERGOS NEXT TEAM IF INTERESTED  
[NEXTDESK@BERGOS.CH](mailto:NEXTDESK@BERGOS.CH)





Save the Date

*02.12.2022*

PLEASE CONTACT THE BERGOS NEXT  
TEAM IF INTERESTED

[NEXTDESK@BERGOS.CH](mailto:NEXTDESK@BERGOS.CH)

*& World Cup of Glühwein*

A BERGOS BRIEFING

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# *Water*

EQUITIES  
BOTTOM UP VIEW

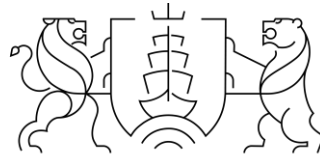
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ACTIVE ADVISORY

**NEXT**

**INVESTOR**

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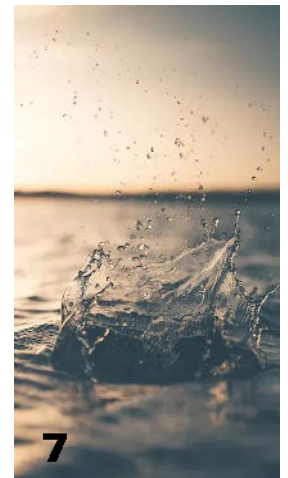
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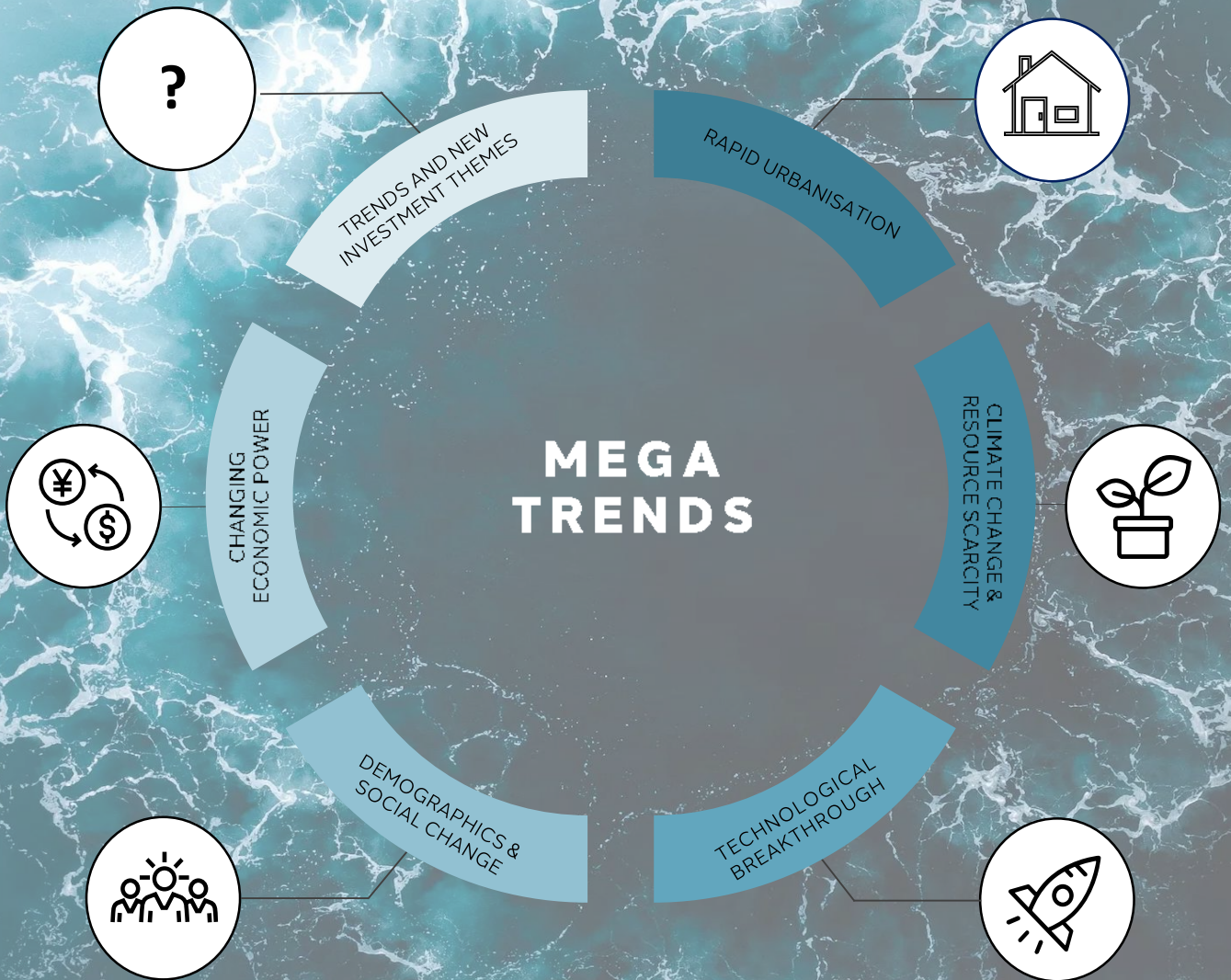
### FUND AND ETF OPPORTUNITIES

WRITTEN BY MARTINA OETIKER

# THEMATIC INVESTING: MEGATRENDS

## WHAT IS THEMATIC INVESTING?

New long-term trends are transforming the global economy. Thematic investing is about finding companies that are set to benefit from a global structural change backed by the Megatrends, which we believe will drive outperformance compared to global equities in the long-run. Moreover, thematic investing seeks to align asset selection with certain economic, political, and social themes prevalent in modern society. In order to represent a long-term component in the portfolio, we seek to capture the arising opportunities across sectors and geographies.



# BOTTOM UP: WATER

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*SDG 6: Ensure availability and sustainable management of water and sanitation for all.*

## WHY WATER MATTERS

Drinking water is a crucial element for human kind and for public health. It is used for drinking, domestic use, food production, and industrial production. Water, therefore, can boost economic growth and can contribute to poverty reduction. However, only 2.5 % of the planet's water is available for human use, the remainder is ocean water. Moreover, these 2.5 % are unevenly distributed and strong geographic, socio-cultural and economic inequalities exist. According to WHO these inequalities are “not only between rural and urban areas but also in towns and cities where people living in low-income, informal or illegal settlements usually have less access to improved sources of drinking-water than other residents”.

An equally important topic is the access to safe drinking water. Water with poor quality or even contaminated water are a threat to health and are linked to the transmission of diseases such as cholera, diarrhea, dysentery, hepatitis A, typhoid and polio. According to Global Burden of Disease, a major global study focusing on causes and risk factors for death, unsafe water sources was responsible for 1.2 million deaths each year, which represents 2.2% of global deaths in 2017. Moreover, there is a strong negative relationship between death rates and income. In other words, death rates decline as countries get richer.

The World Health Organization (WHO), being an international authority on public health, leads global efforts to prevent water-related diseases. WHO together with the United Nations Children's Fund (UNICEF) jointly monitor the programme for water supply. Moreover, a target introduced by the United Nations (UN) is to “achieve universal and equitable access to safe and affordable water for all” by 2030. However, factors such as climate change, population growth, demographic changes as well as urbanization pose challenges for water supply systems.

Source: WHO, Danone, World in Data

# SPOTLIGHT: INTERRELATED SUSTAINABILITY CHALLENGES

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## UNDERINVESTMENT IN WATER INFRASTRUCTURE

Today, the water crisis is more acute than ever. We face the three challenges: climate change, Covid-19, and insufficient progress on the Sustainable Development Goals (SDGs). The pandemic has brought renewed attention to the need for access to clean water resources, as water is essential to preventing the spread of the virus. The link between health and water has never been clearer. However, much remains to be done to ensure sufficient water and sanitation for all (SDG Goal 6).

Sometimes water scarcity causes companies to close their businesses, as they were struggling to find water they needed for production. An example is provided by the companies Pepsi and Coca Cola. The two companies needed to close their plants in India as local Indian farmers believed they were competing with them for this scarce resource.

2030 Water Resources Group write in their 2021 report that circular economy approach – reducing consumption, reusing and recycling water and wastewater – offers the opportunity to capture the full value of water. The water market offers a diversified opportunity set of products and services that enable access, quality and quantity of clean water necessary to sustain human activities globally.

At the same time, droughts and floods are becoming more frequent and intense, bearing other economic impacts

## WHERE DID THE WATER GO?

The Rhine is the second-longest river in Central and Western Europe and flows from the Alps in Switzerland to the North Sea Basin. The Rhine is the most important shipping lane in Germany, as around 80% of inland waterway goods transport runs on this river.

This past summer, the 1'232km-long river has hit critically low water levels posing major economic impacts as many industries and power plants depend on the river for shipping their goods across the continent. According to a research paper of the Kiel Institute, low levels on the Rhine river severely disrupt cargo shipping. River barges had to travel with reduced freight in order to limit their draft or worst case to even cease operating. As a result, quantities shipped decrease and freight rates rise. Moreover, Kiel Institute writes that “30 days of low water levels on the Rhine dampens overall inland water transportation by about 25 percent and industrial production by about 1 percent. According to our estimates, the low water period in the second half of 2018 had a peak impact of -1.5 percent on the level of industrial production”.<sup>1</sup>

1) Kiel Working Paper “Extreme Weather Events and Economic Activity: The Case of Low Water Levels on the Rhine River”, April 2020  
Source: WHO, UN.Pictet, Morgan Stanley, Berenberg, Kiel Institute, World in Data

# P

## odcasts *of the month*

# 1

### Risk-exposure of a bank

Bergos NOW with Dr. Peter Raskin, CIO & Partner

# 4

### The Art World

Bergos ED with Aurelia Rauch, Creative Director of Bergos

# 2

### The State of *Asia*

Bergos NOW with Nico Luchsinger, Director of the Asia Society

# 5

### 'Taxing' times for managing assets – Challenges and Opportunities

Bergos ED with Dr. Maren Gräfe and Dr. Claudia Klümpen-Neusel

# 3

### Live from *Paris+ par Art Basel*

Bergos NOW with the Art Consult Team, Dr. Thomas Kellein and Mari Krimphoff

# 6

### All you need to know about Real Estate Investing

Bergos NOW with Steffen Ricken, CEO and Shareholder of NAS Invest



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## W H O W E A R E

You probably know us, but if not, here are a few words about us. We'd be happy to chat more! Reach out: [info@bergos.ch](mailto:info@bergos.ch) or [next@bergos.ch](mailto:next@bergos.ch) are great ways to get in touch! So here we go:

We are Bergos, an independent, internationally operating Swiss Private Bank. We have a clear focus: protecting and growing private wealth.

Our name honors the many generations who, for more than four centuries, fostered entrepreneurial thinking, good education, and personal integrity. It expresses the ideals of independence, continuity, and openness to the world. We understand, respect and value this responsibility.

And we are glad you are here!

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