

THE WORLD IN 2035: FROM VISION TO VALUE

“ *Mark my word: A combination airplane and motorcar is coming.*”
– Henry Ford, 1940

“ *By 2005 or so, it will become clear that the internet’s impact on the economy has been no greater than the fax machine’s.*”
– Paul Krugman, Nobel Prize-Winning Economist, 1998

Throughout history, even the most brilliant minds have made predictions that have not quite stood the test of time. Yet, for investors, anticipating the megatrends influencing the economy and markets is crucial for successful investing. This year, we set out to imagine how our long-term investment themes could shape the world of 2035, exploring their transformative potential. Here are 10 ways how the world may be different over the next decade.

1 QUANTUM LEAPS

A more powerful type of computer is emerging: the quantum computer. While breakthroughs in hardware and software are still needed to scale quantum computing systems, by 2035 it may become one of the most influential technological advancements of mankind. These computers will tackle complex problems like analyzing compounds to create new drugs or analyzing matter to design new materials. Some studies show that this technology may generate as much as \$2 trillion in value for businesses in finance, materials, life sciences, and mobility.

2 RISE OF BIONICS

The boundaries between humans and machines are expected to blur even further over the next decade. Significant progress has already been made in developing artificial limbs, implantable monitoring devices, brain chips, wearables, and organ engineering. In the coming decade, technological advances may lead to better integration of prosthetics with the nervous system, bioartificial organ manufacturing, and improved brain chips that could help disabled individuals regain lost senses or mobility. These advances have the potential to significantly improve the standard of living for millions of people worldwide.



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3 FARM FIELDS GO VERTICAL

Indoor, high-tech farms stack crops in controlled environments, using advanced techniques and AI-driven systems to optimize growth year-round. While still costly, they offer significant benefits compared to traditional farming, including reduced water usage, land use, pesticides, and emissions. As the technology scales, cities grow, and arable land diminishes further, this approach could ensure food security and revolutionize how we feed the world. Although inroads have been made, traditional farming methods still dominate. So next time you drive past that empty strip mall and wonder what will become of it, don't be surprised if more of your produce comes from there over the next decade.

5 BEATING CANCER

Drug development is notoriously long and costly, with only 10%-20% of drug candidates successfully making it to market. On average, the process takes around 12 years from initial discovery to approval, and even longer – up to 30 years – for groundbreaking innovations like gene therapies. We expect AI will have a growing impact in clinical trials and drug discovery, significantly reducing timelines and costs while uncovering treatments for disease like cancer and exploring new frontiers in anti-aging and longevity.

7 THE SKY'S THE LIMIT

Flying taxis, once a staple of science fiction, are now closer to becoming a reality. The Federal Aviation Administration has already recognized a new category of aircraft – electric-powered air taxis – and in 2024 finalized rules for training and certifying pilots. It's not far-fetched to imagine a near future where drones complete last-mile deliveries and air taxis take off, potentially transforming transportation. Travel time from Manhattan to JFK Airport could be cut from an hour and a half to just 10 minutes!



4 NUCLEAR WILL POWER THE U.S.

Our digitalized economy and the rise of generative AI are pushing our aging power infrastructure to the brink. The solution? More nuclear power. It's considered more reliable, scalable, and cleaner than most other renewable energy sources. Instead of traditional large-scale nuclear power plants, we expect innovation to come from small modular reactors (SMRs). Although their maximum power output is about 25%-30% less than that of large nuclear plants, these advanced reactors are much less expensive, can be constructed faster, and have diverse applications. Currently, only three SMRs are operational globally, but multiple projects are underway.



6 MEET YOUR DIGITAL TWIN

Digital twins are virtual replicas of physical objects, processes, or systems, created with real-time data to deliver predictive insights through advanced simulation. Now imagine having a digital version of yourself – a “health twin” powered by AI and real-time data – designed to predict, prevent, and personalize your healthcare. By 2035, digital health twins could model your unique biology, enabling treatments tailored to your genetic makeup and lifestyle. From early disease detection to optimizing wellness plans, personalized medicine will transform healthcare into a proactive, precision-driven experience.



8 YOUR NEXT HIRE: AN AI AGENT

Chatbots often get a bad rap – frustrating, impersonal, and rigid, with pre-trained responses that leave you frantically trying to reach a human. But as AI technology advances, we expect the next generation of “bots” will be relatable, smarter, more intuitive, and capable of reasoning in ways that closely resemble human thought. These AI agents are poised to disrupt the services sector, becoming more common in everyday life. Imagine the future with AI accountants, lawyers, doctors, educators, and travel agents.

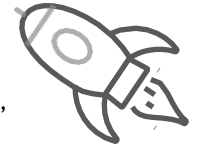
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9 ADVANCED WARFARE: HUMANOID ROBOTS

Humanoid robots are set to become a standard feature on the battlefield, complementing the already operational unmanned aerial vehicles, drones, and robot dogs. These machines will not only reduce human casualties but also handle dangerous tasks such as bomb disposal, reconnaissance, and search and rescue missions. Retired Army General and former Chairman of the Joint Chiefs of Staff Mark Milley predicted that in 10-15 years, approximately one-fourth to a third of the U.S. military could be robotic.

10 SPACE MEANS BUSINESS

Our economy is already deeply reliant on space, with satellites enabling global communication, navigation, and weather forecasting. However, in the next decade, the space economy is expected to expand far beyond these foundational services. McKinsey & Co. predicts that the space economy will triple to become a \$1.8 trillion industry by 2035. As humans push the boundaries, data centers in space, lunar mining for materials, missions to Mars, and private space tourism appear within reach.



As long-term investors, our primary focus when managing portfolios is on how well a company aligns with one or more of our investment themes. While some of these ideas may seem like “moonshots,” many are closer to reality than you might think, as the seeds of these transformative changes are already being planted today. We are excited to witness how technology and innovation will drive progress and create new opportunities.

MOONSHOT:

A radical idea or technology with the potential to create significant disruption and drive long-term growth, often accompanied by a high degree of uncertainty regarding its success.

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OUR FIVE INVESTMENT THEMES



FOURTH INDUSTRIAL REVOLUTION

Technological innovation has broken down the boundaries between the physical, digital, and biological worlds.

Quantum Leaps
|
Rise of Bionics



SECURING STRATEGIC RESOURCES

Companies and governments are prioritizing the development and protection of critical industries, resources, and services.

Farm Fields Go Vertical
|
Nuclear Will Power the U.S.



SHIFTING DEMOGRAPHICS

Changes in global population dynamics will bring about challenges and opportunities.

Beating Cancer
|
Meet Your Digital Twin



THE NEW CONSUMER

Consumer preferences, expectations, and behavior are altering business models and corporate strategies.

The Sky's the Limit
|
Your Next Hire: An AI Agent



PRODUCTIVE COMPETITION

Rivalry ultimately drives innovation, improves quality of life, and creates value for consumers and the economy.

Advanced Warfare: Humanoid Robots
|
Space Means Business

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