

INSIGHTS

For the Mainstream Investor

WEEK ENDING NOVEMBER 18, 2016 EDITION 169



TRUMP & THE PARIS AGREEMENT

Trump Presidency galvanizes the Paris climate signatories; Obama works to protect legacy

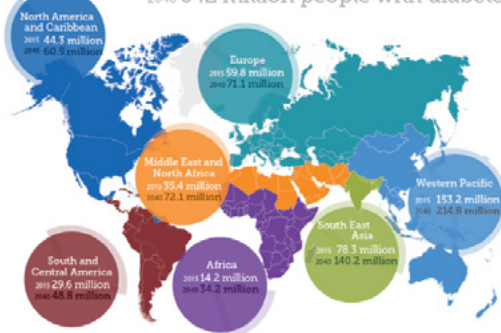
If U.S. President-elect Donald Trump and the GOP follow through on what they've promised during the campaign, federal climate policy may be at risk. Under President Obama, government agencies have implemented a range of new standards and regulations on everything from appliances to cars to power plants. The GOP have been [angling to undo](#) that work for years.

But President Obama is still pushing his agenda in his final two months in office. This week, the U.S. Secretary of the Interior announced the Methane and Waste Prevention Rule – a final rule that will [reduce the wasteful release of natural gas](#) into the atmosphere from oil and gas operations on public and Indian lands.

COP22 leaders respond to the Trump victory: France and the U.N. [warned President-elect Trump](#) about the risks of quitting a 2015 global plan to combat climate change, saying a historic shift from fossil fuels is "unstoppable". In fact, the EU indicated on this week that it will work closely with China to prevent the US from "[backsliding](#) on its commitment." Saudi Arabia will also [stick to its climate pledge](#).

INFOGRAPHIC OF THE WEEK: DIABETES – STILL ON THE RISE

Worldwide 2015 415 million people with diabetes
2040 642 million people with diabetes



Source: [International Diabetes Federation](#)

DISCONTENT IN AFRICA

Africans remain optimistic despite corruption

The [Pew Research Center](#) has published [new research](#) on the increasingly negative public sentiment in three major African nations (South Africa, Nigeria, Kenya). The public has expressed concern about some key development issues, many of which are addressed by the [UN's SDGs](#). Economic sentiments have turned sharply negative since 2015. Approximately seven-in-ten South Africans and Nigerians now say their [economies are in bad shape](#).

Moreover, political corruption – seen by many experts as a key stumbling block to a country's development – is a major concern. Large majorities in all three countries consider the lack of employment opportunities a very big problem. However, many still express considerable optimism about the future.

DID YOU SEE...?

Tax avoidance is set to cause an ESG downgrade. MSCI ESG ratings is poised to change its governance rating to penalize companies using aggressive [tax avoidance](#) starting next year. This may affect companies' weighting in the index provider's sustainable benchmarks. "There will be pressure as well as policy moves against companies taking advantage of tax management, and investors don't want to be taken by surprise," Linda-Eling Lee, the head of ESG research at MSCI, said.

@SICMGMT OF THE WEEK

RT @USSIF More than 1,000 investment funds in 2016 incorporate #ESG criteria: <http://bit.ly/2fCkt6c> #mutualfunds #ETFs, #alternatives and more

THIS WEEK IN NUMBERS

2016

is very likely to be the hottest year on record says the WMO

845

billion US Dollars of institutional assets are affected by military and weapon constraints, according to US SIF

300

UK fund managers are to be ranked on corporate governance by the Financial Reporting Council

75%

of people with diabetes live in low and middle income countries

70

chemicals that cause cancer can be found in cigarette smoke warns the CDC

52

percent of Japanese companies have seen audit rules tighten, says Reuters

10.8

principal risks is the average number stated by the UK's FTSE 350 companies

6.2

million US households' annual gas supply could have been met from gas wasted from venting, flaring and leaks

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Sustainable Insight
CAPITAL MANAGEMENT

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SUSTAINABLE INVESTING GROWS

US SIF report: US sustainable, responsible and impact investing rises 33%

Sustainable, responsible and impact (SRI) investing continues to expand in the US according to the [new report](#) from the Washington-based US Sustainable Investment Forum. The total US-domiciled assets under management using SRI strategies grew from \$6.57 trillion at the start of 2014 to [\\$8.72 trillion](#) at the start of 2016.

According to the report, institutional investors are seeking to focus on (and in some cases screen out) specific issues, such as climate change, conflict risk (particularly in Iran and Sudan), and weapons and firearms.

[READ THE SUMMARY](#)

ACCESS TO MEDICINE

Analyzing the top 20 Pharma companies

The [Access to Medicine Index 2016](#) report analyzes the top 20 research-based pharmaceutical companies on how they make medicines, vaccines and diagnostics more accessible in low- and middle-income countries. It highlights best and innovative practices, and areas where progress has been made and where action is still required. The index also looks at whether companies target their actions toward the people with the greatest need for better access to medicine.

For the fifth time, GlaxoSmithKline plc tops the list, followed by Johnson & Johnson, Novartis AG and Merck KGaA. [READ THE REPORT](#)

WHAT WE'RE READING



Grant Thornton
Governance Review:
The Future of
Governance: One
small step...



CDP: Thirsty Business
2016 Annual Report of
Corporate Water
Disclosure

WHAT WE'RE WATCHING

The [Japanese GPIF](#) joins board diversity initiatives in both the UK and the US, further demonstrating the pension plan's commitment to ESG investing. The world's largest asset owner has joined the [Thirty Percent Coalition](#) in the US and the [30% Club](#) in the UK. [READ MORE](#)

THIS WEEK'S CHATTER

At this point, it doesn't seem that Trump's political views would align with many of our clients' ESG efforts. However, we do not believe that will change our clients desire to invest in sustainable companies. In fact, one could argue, the election outcome will increase the desire to influence ESG with their funds as policy stalls or reverts.

– Jamie Kramer, head of ESG investing for JP Morgan Asset Management, [wrote](#) in an emailed response to questions (subscription required).

BELIEVE IT OR NOT

Meet Swinger, the Tinder for fish. Scientists in Australia have developed computer software to match endangered animals with potential mates (using the same computer software as dating apps such as Tinder). The best part? It works. [READ MORE](#)

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