

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING JULY 21, 2017 EDITION 203



### SUSTAINABLE INVESTING UP

*Demand soars as Morningstar identifies inflows*

Morningstar recently released a report noting that "more fund companies have come out with new funds that focus on sustainability, so there are more options for investors."

The increase of approximately USD 2.9bn in sustainable funds since the beginning of the year highlights the added focus on sustainability in the investment world.

[READ MORE](#) (login required)

### WE'RE WATCHING

The transition to clean energy is an environmental risk as it will require large amounts of metals and rare earth elements that could create environmental challenges. [READ MORE](#)

### ASSET MANAGER WARNS ON CLIMATE

*Schroders warns cash flows risk of climate change*

Schroders, the UK's largest listed asset manager, with assets under management of USD 520bn, is warning that the rise of global temperatures potentially puts trillions of pounds of investors' cash at risk.

An analysis by the firm of oil and gas production and political action suggests that "global temperatures are poised to rise by 4 degrees above pre-Industrial Revolution levels".

According to Schroders, "between 15 and 20 per cent of company cash flows are at risk, on average, because of climate change".

Schroders also released a Climate Progress Dashboard on their website. See [HERE](#).

[READ MORE](#)

### THIS WEEK IN NUMBERS

965,000

sq. miles (2.5m sq. km.) is the estimated size of a 'raft' of plastic water floating in the South Pacific

110,000

signed a petition asking McDonald's to stop providing plastic straws

90

% plus is the shrinkage of the territorial ranges of the world's largest carnivores

80

clothing retailers have joined the [Greenpeace Detox Campaign](#) to remove hazardous chemicals from the supply chain

58

USD per person per year could be required to meet life-saving global health targets by 2030, says the [World Health Organization](#)

37

% decline in global maternal mortality ratio was recorded between 2000 and 2015

16

% of power generation will be fired by natural gas in 2040, compared to 23 in 2016, says Bloomberg New Energy Finance

4.7

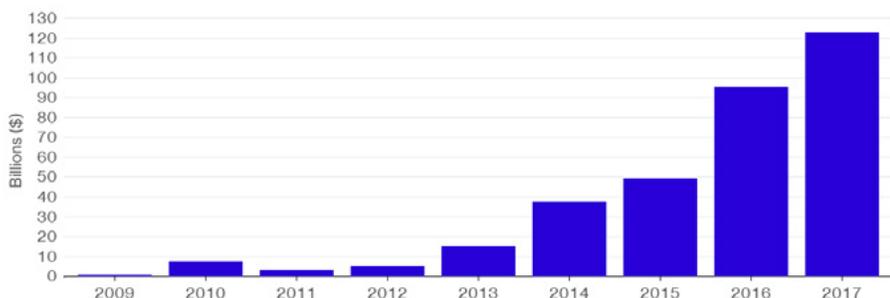
billion people (63% of the World's population) is impacted by tobacco control measures such as advertising bans

### IMAGE OF THE WEEK

*The rise (and rise!) of green bonds*

#### Green Bonds Flourish

Issuance to surge 30 percent this year to \$123 billion globally, according to BNEF



Source: Bloomberg New Energy Finance



Source: [Bloomberg](#)

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### FRENCH NUCLEAR WIND-DOWN

*Roadmap to nuclear reduction*

In 2015 France committed to reduce their share of atomic power generation by more than 25% over the course of eight years. The reality of this target has recently come into question as the complexity of the issue has revealed itself.

Approximately 17 out of 58 state controlled nuclear reactors will have to be shut down for the commitment to come to fruition. The commitment has been met with backlash from trade unions and some political parties who believe that the plan would cripple France's nuclear sector. In an interview this week, Hulot, an environmental campaigner and the current ecology minister, told Ouest-France, "We have to define realistic and possible scenarios, otherwise it will be brutal."

Over the next couple of months the new administration in France must tackle the issue head on. Renewable energies are a viable substitute to the issues presented by the nuclear wind-down as French authorities could stimulate the development of new industries through tax incentives and the easing of current regulatory processes. [READ MORE](#)

### WORTH NOTING

President Trump may reverse decision of withdrawing from Paris climate change accord. [READ MORE](#)

### BAD NEWS

Sustainable Development Goals make progress, but slow progress, says the UN. [READ MORE](#)

### GOOD NEWS

Index providers consider excluding companies with non-voting shares. [READ MORE](#)

### RENEWABLES AND THE POWER GRID

*Reliability from solar & wind*

Technological advances have reduced the world's reliance on traditional power sources such as coal and nuclear as renewable energy has proven to be a cost effective reliable substitute. This week a draft of a study conducted by the [U.S. Department of Energy](#) confirmed the productivity of renewable energy.

The [study](#), requested by Secretary Perry, reiterated the findings of grid operators across the US confirming that even higher levels of renewable energy can be integrated into the power grids without causing any harm.

According to the draft, continued growth in the renewable power industry could necessitate the building of new transmission lines to accommodate demand. The findings come as a relief to the renewable energy industry, easing fears that the Trump administration may redirect the energy industry back in the direction of coal and nuclear power. [READ MORE](#)

### DID YOU SEE?

Major institutional investors consider class action collaboration to cut legal costs. [READ MORE](#)

### WHAT WE'RE READING



Nature

Evidence for a limit to human lifespan

### BELIEVE IT OR NOT

Five teams are competing in a business accelerator program to bring "nature-inspired solutions" to market. Examples include: a system that takes advantage of the wind and the sun to regulate temperatures inside city residences using minimal energy. [READ MORE](#)

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