

INSIGHTS

For the Mainstream Investor

WEEK ENDING AUGUST 31, 2018 EDITION 259



EMISSIONS

The latest trends

In 2017, [global energy-related emissions](#) increased by 1.4%, a rise of 460 million tonnes. This is after three years of flat emissions. The main drivers of the increase were global economic growth of 3.7%, weaker energy efficiency and lower fossil fuel prices. Asian economies accounted for two-thirds of the global increase, although China's economic growth of nearly 7% saw emissions increase, but at a much more restrained growth of 1.7%.

This was made possible by the switching of coal to gas and renewables investment. The [report](#) shows that some major economies experienced declines such as Japan, Mexico, the UK and the US. The US recorded the largest volume decline of 25Mt, the third year in a row, mainly driven by higher renewables power generation and falling electricity demand. In percentage terms, Mexico showed a decline of 4%, with the UK recording a 3.8% decrease.

POLLUTION & INTELLIGENCE

Further pollution worries

The effects of [air pollution](#), especially in major urban centers, has been receiving considerable media attention. A recent [study](#) has examined the link between pollution and intelligence levels. It concludes that 'long-term exposure to air pollution impedes cognitive performance in verbal and math tests'.

In a joint Chinese-US study, which was undertaken in China, it analyzed 20,000 people between 2010 and 2014. Records of nitrogen oxide and sulfur dioxide were also used. It found that air pollution has a greater detrimental effect on the aging brain which 'likely imposes substantial health and economic costs'. The researchers believe these results are applicable globally and the Institute for Health Metrics and Evaluation ([IHME](#)) believes that an estimated [95% of people](#) live in areas where outdoor fine particulate matter concentrations (small dust or soot particles in the air) exceed the World Health Organization's Air Quality Guideline.

THIS WEEK IN NUMBERS

56,826 charging outlets are available for electric vehicles in the US

2,500 to 3,000 offshore oil & gas projects require decommissioning between now and 2040

2050 is the year in which it is forecasted that 2 out of 3 people will live in a city

284 million US\$ was the investment in global off-grid investment in 2017

100 miles is the driving range of a new electric truck built by Thor Trucks, which UPS has started testing

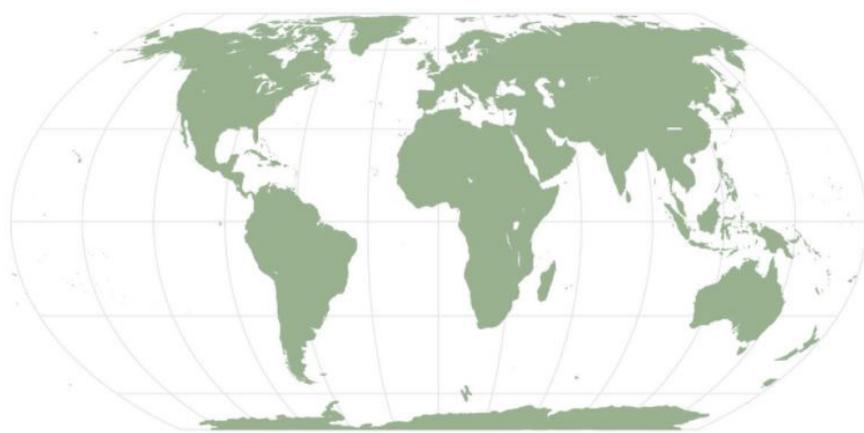
19 mayors from major cities, including Paris, London, New York and Tokyo, have pledged to make their buildings net zero carbon by 2050

6 th species of Ebola has been discovered in bats in Sierra Leone

1 st of September is the date that the Venta Maersk, one of the world's largest ice-class container vessels, will navigate an Arctic Sea route for the first time passing through the Bering Strait

INFOGRAPHIC OF THE WEEK

Equal Earth: A new world map that shows the true size of the continents



Source: [New Scientist](#)

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FUTURE LIFE EXPECTANCY

Some women live to 90

There is more than a 50% probability that by 2030, national female life expectancy will break the 90-year barrier. Leading the way is likely to be South Korean females where there is a 90% probability that life expectancy at birth will be higher than 86.7 years, the same as the highest worldwide life expectancy in 2012.

According to a [study](#) in [The Lancet](#), life expectancy is projected to rise in 35 industrialized countries with a probability of at least 65% for women and 85% for men. Other [countries](#) which are likely to see women's average life expectancy at birth pass 85 by 2030 include Australia, Canada, Chile, France, Japan and the UK. The gap between men and women is closing. Countries in which men are expected to live the longest include, South Korea, Australia, Switzerland, Canada and the Netherlands.

DID YOU KNOW?

Assessment scores for PRI signatories have been sent to each company. [Scores](#) include indicator scores (the individual versus the median), section scores (the grouping of indicators e.g. governance) and module scores (a combination of the two above and ranked into scoring bands). Bands run from E to A+. Signatories can choose whether to disclose the score or not.

DID YOU SEE?

Honda, in collaboration with eMotorWerks and Southern California Edison, has launched SmartCharge, an [app](#) that enables Honda drivers to charge their cars with the greenest energy and earn rewards for plugging it in for the optimal time.

ENGAGING GOVERNMENTS

Any link to climate policy?

Australia has a new Prime Minister, Scott Morrison, who makes no secret of his support for fossil fuels. This raised the question of whether [investors](#) should engage with governments, which may best be left to the electorate, or whether they should either divest from (say) Australian Government bonds or demand a higher yield. By buying the bonds, investors are providing capital for the government to pursue their policies, such as subsidizing coal.

Norway, an oil producer, has been examining the fossil fuel issue through its vast sovereign wealth fund, the Government Pension Fund Global (GPF). A Ministry of Finance Commission was tasked with determining whether the sovereign wealth fund should continue to be able to invest in fossil fuels. It [concluded](#) it should stay invested.

CLEVER STUFF

How do you cope with another outbreak of [cholera](#) when resources remain tightly constrained? In Yemen they have turned to technology. Supercomputers are used by the Meteorological Office to predict heavy rain – which overwhelm sewerage systems and spread infection – and these results are then merged with local information on population density, access to clean water and seasonal temperature. These forecasts are then used to predict the next outbreak, allowing aid workers to focus resources on these areas.

BAD NEWS

In 2016, 250,000 people died from firearm-related injuries. Half of these [deaths](#) occurred in only six countries in the Americas: Brazil, Colombia, Guatemala, Mexico, Venezuela and the US. Top of the list is Brazil with 43,000 deaths. The study found that 64% of these deaths were homicide, 27% suicides and 9% accidental.

READING LIST

10 ways to reduce plastic pollution
[NRDC](#)

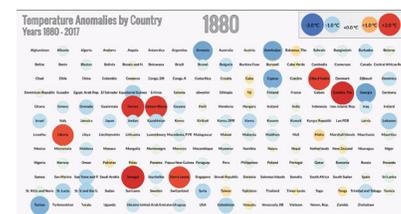
Foundations of ESG Investing - Research Library
[MSCI](#)

A synthesis from Egon Zehnder's Leaders & Daughters 2018
[Egon Zehnder](#)



WATCH LIST

Temperature anomalies by country (1880-2017)
Based on NASA GISTEMP data



LISTENING LIST



Maersk explores new Arctic Russian route
[FT](#)

BELIEVE IT OR NOT

In the study of climate change, positive feedback loops amplify global warming, making the situation worse – e.g. as Arctic ice melts, less sunlight is reflected back into space, which is instead absorbed by the oceans, which in turn melts more ice. Should it still be called 'positive'? [READ MORE](#)

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