

INSIGHTS

For the Mainstream Investor

Week ending January 15, 2016



@sicmgt

Edition 125

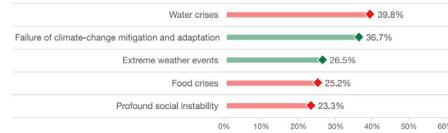
WORLD ECONOMIC FORUM DEFINES GREATEST GLOBAL RISKS

Spoiler alert: Climate change tops the list

The World Economic Forum released its latest [Global Risks Report](#) this week. The annual report surveys 750 experts on 29 separate global risks, assessing both impact and likelihood over a 10-year time horizon. The risk with the “greatest potential impact in 2016 was found to be a failure of climate change mitigation and adaptation.” Moreover, the report calls for environmental, social and governance (ESG) factors to be mainstreamed into [core financial processes](#) and indicators.

It argues that finding ways to factor climate and regulatory risks into “short-term decision-making processes and related financial metrics is essential for driving climate risk-informed investments”.

The Global Risks of Highest Concern For the Next 10 Years (2016):



Source: [WEF Report](#)

@SICMGT TWEET OF THE WEEK

Proud to be a supporting sponsor. RT: 2 weeks from today! #InvestorSummit on #Climate Risk 27 Jan at @UN NYC co-hosted by @CeresNews @unfoundation UNOP <https://t.co/oX8mhbkM7>

WORD OF THE WEEK

Anthropocene. The present geological epoch, which began when human activities started to have a significant impact on geological conditions and processes. [READ MORE](#)

GREEN BONDS CONTINUE TO BREAK RECORDS

Green bond issuance hit \$41.8 billion in 2015, setting a record. The market may more than double that level in 2016, according to [Climate Bonds Initiative](#), a London-based nonprofit that focuses on environmentally friendly bonds. “We had a very broad pool of bonds so that makes 2016 look much stronger,” Sean

Kidney, CEO of the Initiative, [said in a Jan. 12 interview](#). Forty five percent of the market focused on renewable energy projects, about 20 percent on energy efficiency, 13 percent on low-carbon transportation, and 9 percent on sustainable water projects.

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THIS WEEK IN NUMBERS

63,940,380

is the number of shares that Warren Buffett owns in Phillips 66 as of close 7 Jan. 2016.

2,500

is the number of firms that Beijing municipal government will shut in 2016 to reduce pollution.

30

percent is the drop in China's coal imports in 2015, the largest on record.

18

percent of German companies plan to stick with quarterly reporting on Deutsche Boerse; the rest will go to the mandated semi-annual reports.

12

to 18 months is when Campbell's Soup will begin disclosing GMO ingredients in its products.

7

climate-related resolutions have already been proposed for the ExxonMobil AGM on May 25th.

6.2

gigatonnes of emission allowances and offsets were traded globally in 2015.

5

is the number of Israeli banks placed on an investment blacklist by the United Methodist Church pension board.

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ARE EMISSION TRANSPORTATION TAXES NEXT?

New York, Connecticut, Delaware, Rhode Island, and Washington D.C. are all contemplating putting a price on the air pollution from cars, trucks, trains and other vehicles.

The result may be “new taxes, tolls or a pollution-trading system that could raise USD 3 billion a year or more for mass transit, electric-vehicle rebates and other projects”, supporters say.

In a letter, the five states vowed to “achieve substantial reductions in transportation sector emissions and provide net economic benefits.” Vehicle emissions are the source of more than a third of greenhouse-gas emissions in the northeastern U.S.

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WHAT WE'RE WATCHING

Board Diversity @ Apple Inc.

On February 26th, 2016 the Apple stockholders will [vote](#) on a milestone resolution: Requiring more racial diversity at the senior management level and on the board.

[Read Proposal #6](#) (page 60).

This issue is gaining momentum in the U.S. In 2012, U.S. investors controlling a combined \$417 billion of assets said they considered diversity. Just two years later, that figure was \$578 billion – a 40 percent increase, according to [US SIF](#), the Forum for Sustainable and Responsible Investment.

DID YOU KNOW...?



A phone drawing electricity from a USB port in your car cuts 0.03 miles from each gallon of gasoline in a tank.

[READ MORE](#)

BELIEVE IT OR NOT

1100 staff at a newspaper did not react well to being told that motion trackers were being placed under their desks to gather sustainability data, such as energy usage.

[READ MORE](#)

CHECK THIS OUT

[Ceres](#) and [CookESG Research](#) have launched a new [web tool](#) for accessing carbon asset risk disclosures in company filings with the U.S. Securities Exchange Commission (SEC). The tool allows users look through annual SEC filings for a discussion of “carbon asset risks, including competition from renewable sources of energy, capital expenditures on high cost, carbon intensive exploration projects, government efforts to limit carbon emissions, and the possibility of reduced global demand for fossil fuels.”

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WHAT WE'RE READING



[MSCI: 2016 ESG Trends to Watch](#)

[READ HERE](#)

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