

CORPORATE TAX AVOIDANCE & REPUTATIONAL RISK

Listed companies—notably in technology and healthcare—are using tax havens to avoid billions in taxes says MSCI report

As we mark Tax Day this week, some new information is coming to light about which companies are avoid paying taxes and who is watching. An analysis over 1,000 companies by MSCI suggests that listed companies in developed markets avoid over USD 82bn of tax per year using tax havens and other strategies. The report finds that companies in the healthcare and information technology sectors are among the biggest tax avoiders.

Says Alex van der Velden, founder and chief investment officer of Ownership Capital, the Dutch asset manager: “Tax avoidance is an issue investors are increasingly aware of. The public ire that has been created by businesses found aggressively pursuing loopholes to pay abnormally low taxes has been significant and has led to serious reputational issues. Such risks can have material long-term financial implications.”

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MARK YOUR CALENDARS:
Wednesday April 22 is [Earth Day](#)

DEEPER DIVE ON LINK BETWEEN HEALTH AND ECONOMICS IN NEW STUDY

Connection between health and economic status found at every economic level

A [new report](#) about health, wealth and income by the [Urban Institute](#) and Virginia Commonwealth University finds that health and income improve together all the way up

the economic ladder. The study looks at several diseases—arthritis, diabetes, kidney disease and others—and finds that wealthier people fare better for each one. Life expectancy and self-reported overall health are also correlated to income. [Read more](#) to uncover the most important question: Why?

THIS WEEK IN NUMBERS

2,100

in Australian Dollars the possible loss in welfare payments per child for those Australians who adopt an anti-vaccination stance

75

percent marks the decline in the cost of a solar-power system between 2000 and 2014

20

percentage rise in sales of medically important antibiotics used for livestock in the US between 2009 and 2013

14

coal-producing states, along with the country's two largest coal companies, have challenged a proposed Environmental Protection Agency regulation, which the agency issued under the authority of the Clean Air Act

8

the number of Chinese cities, out of a total of 74, which met state air quality standards

CALIFORNIAN DROUGHT: ALL HANDS ON DECK

California is hot. How hot? The Golden State is shattering modern [temperature measurements](#) that stretch back more than 1,000 years, which is one reason the state is also facing its worst drought in history. What's the recourse? The

Governor has issued an [executive order](#) this month for the first mandatory statewide water restrictions in U.S. history. It's no wonder California has turned to [Australia](#) for some advice on how to deal with this record drought.

NORWEGIAN SOVEREIGN FUND TO ADOPT 'CONDUCT-BASED EXCLUSION CRITERIA' AND TRANSPARENT VOTING

The USD 885bn Norwegian Sovereign Wealth Fund plans to exclude investments in companies emitting "unacceptable" amounts of greenhouse gases, the [Finance Ministry announced](#) late last week. The broad exclusion criteria looks at the

acts and emissions of a company. "The criterion is broad in scope," the Ministry [said](#), "and not limited to specific sectors or types of greenhouse gases." The fund is itself built on revenues from Norway's offshore oil and gas production.

MIXED RESULTS: DIVESTMENT FROM FF & POOR GOVERNANCE

According to a new [MSCI study](#) excluding fossil fuel companies from your portfolio has delivered [outperformance](#) against the market since 2010.

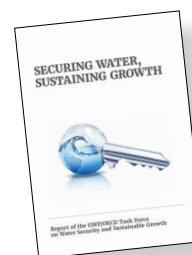
However, holdings in a [Japanese index](#) which features companies with a high return on equity and other marks of good governance have underperformed companies that do not meet the 'good governance' criteria.

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CAREFUL WHAT YOU WISH FOR

Warmer weather in Europe over the last 15 years has lead to an increase in vector-borne diseases across the continent. A new [report](#) concludes: "These changes are in part due to increased globalization, with intercontinental air travel and global shipping transport creating new opportunities for invasive vectors and pathogens. However, changes in vector distributions are being driven by climatic changes and changes in land use, infrastructure, and the environment."

WHAT WE'RE READING THIS WEEK



Securing Water, Sustaining Growth ([link](#))

BELIEVE IT OR NOT

The company responsible for creating Angry Birds (yes, of smartphone game fame) plans to use the characters to raise awareness of climate change this Earth Day. Game on!

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