I'm Sarj Nahal, head of the thematic investing strategy team. By values-based investing what we mean is taking a longer-term approach towards investment. It's a marriage between one's personal values, one's family values with long-term investment returns.

It’s taking on board issues like environmental issues, social issues, as well as governance issues, and looking to see how they will impact one’s investment decision-making processes.

[GRAPHIC]
Values-Based Investing Can Address...
- Environmental issues
- Social issues
- Governance issues

To give you an example of how VBI could work in practice take a look at shale gas.

Depending on one’s personal goals, one’s family’s goals, this could be a great opportunity in terms of America’s energy independence. Other people are quite concerned about water use in the shale gas industry. They’re looking to see more restrictive regulations or even to ban the practice altogether.

So what we’re here to stress is that there’s different ways and different approaches off the back of these issues, each of which have varying investment conclusions.

From a long-term perspective, we really like environmental opportunities. Let’s take an issue like water. We think that we’ve probably arrived at the stage of peak water globally. And by 2030 global water demand is set to exceed supply by some 40% making water one of the most valuable resources.

[LOWER 3rd]
By 2030, global water demand is expected to be 40% greater than supply.

We think there’s opportunities that are going to arise off the back of water management, water treatment as well as greater investment in water infrastructure and supply.
Corporations are increasing cognizant of the fact that these issues matter to investors.

Over the course of the last 10 to 15 years we've seen significant changes in corporate practices in terms of policies, management structures and management systems because at the end of the day they know that if they don't act off the back of these issues that investors will use their power to try to bring about change at corporations.

Values-based investing would have been as niche 10 years ago or 20 years ago and increasingly where we think things are going is these are becoming mainstream.

These are becoming part of the normal day to day operations for corporates, for investors as well as stakeholders. It's no longer sitting in the corner apart, something different, it's becoming part of traditional investment decision making.

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