

Investing in Asian Environmental Markets

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1. INTRODUCTION

2. DRIVERS OF ASIAN ENVIRONMENTAL MARKETS

2.1. DEMOGRAPHICS

2.2. CONSTRAINED RESOURCES

2.3. SUPPORTIVE GOVERNMENT POLICY

2.4. TECHNOLOGY-DRIVEN GROWTH

3. AN EXPANDING SET OF INVESTMENT OPPORTUNITIES

4. ENVIRONMENTAL IMPACT

5. OUTLOOK

1. INTRODUCTION

The growing size and influence of the Asia-Pacific economy is one of the most significant investment opportunities of the 21st century. Its economic and demographic growth is intensifying resource pressures that have provided the stimulus for environmental markets elsewhere. At the same time, a growing number of companies are emerging in the region to provide solutions.

Impax has been investing in the Asia-Pacific region since 2005 and has had a local presence since 2007. Since Impax launched its first regional strategy, the universe of investable companies – those that derive a significant share of their revenues from sales of environmental products and services – has grown from ca.340 to more than 600.

This paper describes how momentum in the region is building in the energy efficiency, renewable energy, water, waste and sustainable food and agriculture markets that Impax's Asia-Pacific strategy targets. This momentum is driven by demographics, constrained resources, supportive policy and evolving technology. The investment team believes it will underpin earnings growth and investment out-performance in the years to come.

FIGURE 1: ASIAN ENVIRONMENTAL MARKETS UNIVERSE IN 2009 AND 2017¹

