The Race of Our Lives

2018 Investor Summit on Climate Risk
January 31, 2018

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Presenter

Jeremy Grantham

Mr. Grantham co-founded GMO in 1977 and is a member of GMO’s Asset Allocation team, serving as the firm’s chief investment strategist. He is a member of the GMO Board of Directors and has also served on the investment boards of several non-profit organizations. Prior to GMO’s founding, Mr. Grantham was co-founder of Batterymarch Financial Management in 1969 where he recommended commercial indexing in 1971, one of several claims to being first. He began his investment career as an economist with Royal Dutch Shell. Mr. Grantham earned his undergraduate degree from the University of Sheffield (U.K.) and an M.B.A. from Harvard Business School. He is a member of the Academy of Arts and Sciences, holds a CBE from the UK and is a recipient of the Carnegie Medal for Philanthropy.
But First an Import Tangent:
The Greatest Myth of Divestment
Yes, You Can Divest From Oil – or Anything Else – Without Much Consequence


As of 9/30/17
Source: S&P, GMO
Yes, You Can Divest From Oil – Or Anything Else – Without Much Consequence

1989-2017 Range: 50bps

1. Ex Health Care 9.44%
2. Ex Consumer Staples 9.54%
3. Ex IT 9.56%
4. Ex Industrials 9.66%
5. S&P 500 9.71%
6. Ex Energy 9.74%
7. Ex Consumer Discretionary 9.75%
8. Ex Utilities 9.77%
9. Ex Materials 9.84%
10. Ex Telecom 9.90%
11. Ex Financials 9.94%

1925-2017 Range: 54bps

1. Ex Consumer Staples 11.37%
2. Ex Health Care 11.39%
3. Ex Consumer Discretionary 11.44%
4. Ex Energy 11.48%
5. Ex IT 11.51%
6. Ex Telecom 11.51%
7. Ex Utilities 11.53%
8. S&P Index 11.54%
9. Ex Financials 11.57%
10. Ex Materials 11.57%
11. Ex Industrials 11.91%

As of 9/30/17
Source: S&P, GMO
Note: Prior to March 1957 the S&P 500 is represented by the S&P 90 Index

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