

Thematic Investing | Clean Water



Overview

Investing in clean water over the coming decades is of paramount importance to address the growing global water crisis and its far-reaching impact on society and the economy. Access to clean water is a fundamental human right, essential for health, sanitation, and economic development.

With a rising population, urbanisation, and climate change, the demand for clean water is increasing, while water resources are becoming scarcer and more polluted. Investing in clean water infrastructure, technology, and conservation measures will help ensure water availability for communities, agriculture, and industries.

Companies exposed to the water sector present significant investment opportunities. Businesses involved in water treatment, purification, desalination, and water-efficient technologies are poised for growth as they provide sustainable solutions to water challenges. Water scarcity can also disrupt supply chains, making water-efficient practices crucial for industries seeking long-term viability.

Overall, investing in clean water not only addresses a pressing global issue and contributes to a more resilient and sustainable future for all.

Benefits

- **Improved public health:** Access to clean water reduces waterborne diseases, improving public health outcomes and saving lives, particularly in developing regions.
- **Economic development:** Clean water investments stimulate economic growth, enhance productivity, and create employment opportunities, leading to poverty reduction and improved living conditions.
- **Environmental conservation:** Investing in clean water solutions promotes ecosystem health, protects biodiversity, and preserves water resources for future generations, fostering sustainable development.

Challenges

- **Infrastructure and funding:** Building and maintaining water infrastructure requires significant financial resources and long-term funding commitments, which can be challenging to secure.
- **Water scarcity and quality:** Addressing water scarcity, ensuring water quality, and managing water pollution pose complex challenges that require integrated and sustainable solutions.
- **Access and equity:** Providing equitable access to clean water, particularly in marginalised communities or remote areas, requires overcoming logistical, social, and economic barriers.

Shortlist of ETFs to gain exposure to this theme

Ticker	Name	Net Assets (US\$)*	Holdings	Fee*	Link To Factsheet	Comments
GLUG LN	L&G Clean Water	\$450m	57	0.49%	GLUG LN	
ERTH US	Invesco MSCI Sustainable Future	\$295m	180	0.55%	ERTH US	More of a broad ETF focused on Environmental Impact Themes. Alternative Energy, green building, sustainable water, pollution prevention and control and sustainable agriculture.
PIO US	Invesco Global Water	\$272m	47	0.75%	PIO US	

*Data as at 1 August 2023



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