

The Low Carbon Economy SEMINAR

*Risks and Opportunities
for the Financial
Services Industry*



Institute of Actuaries of Australia



Thursday 9 October 2008 – Sydney

Investing In New Technologies

Harry Cator
CEO, JM Financial Group

Agenda

- Does the new technology exist?
- Why should you invest in it?
- What are the risks?

Does the new technology exist?

- New Technologies → Yes
- Real Impact → Yes
- Plausible Investments → Yes
- Viable Technology vs Blue Sky → Yes
- Prescribed Risk Parameters → Yes

Why should you invest in it?

Social and Environmental Alpha

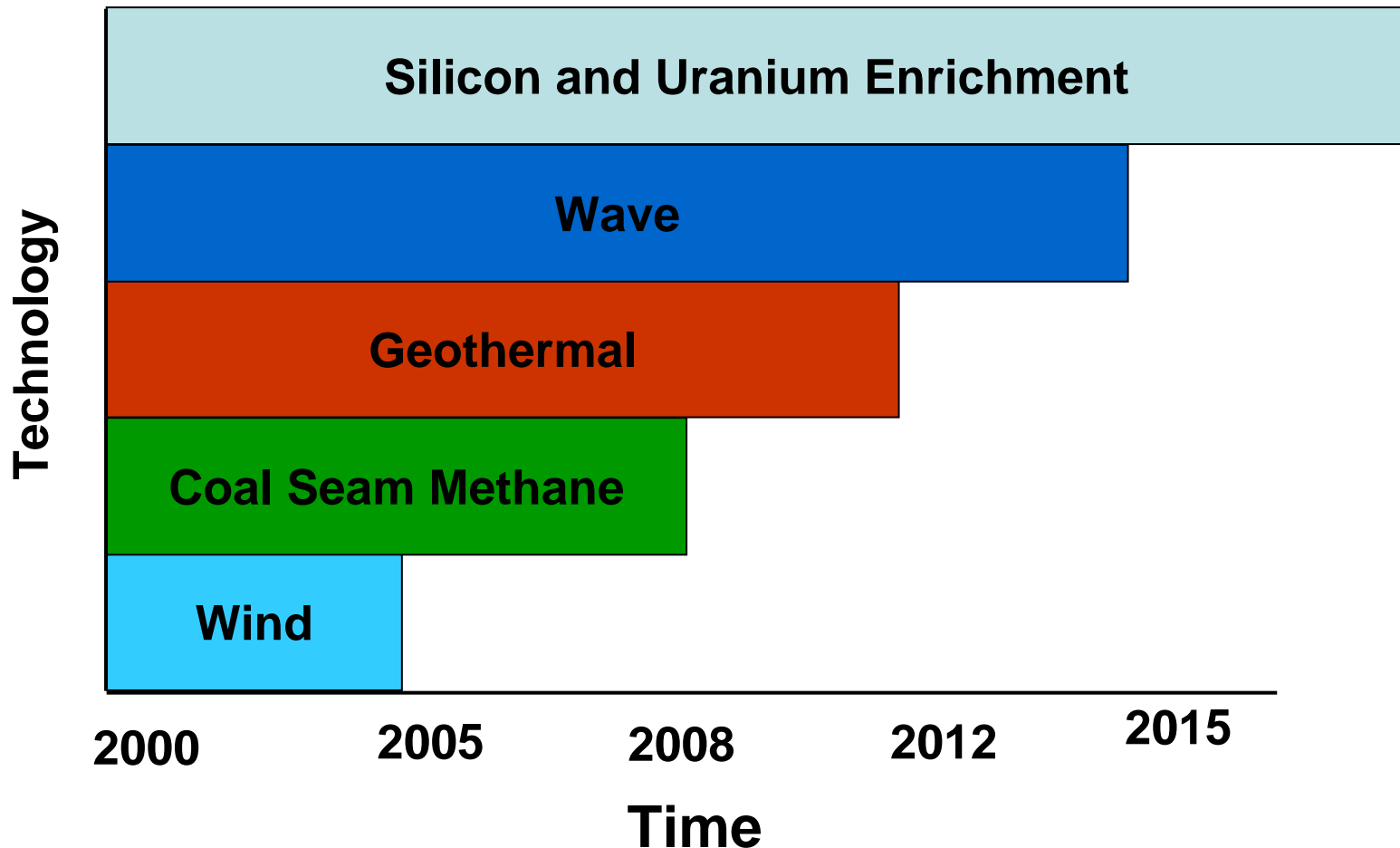


Positive Approach to Climate Change
and Society



Inaction is expensive

Positive Approach to Climate Change



Positive Approach to Climate Change

- 5-25/20
- 300,000 GWH
- Base Load Capacity
- Low to Zero Emissions
- High End Capital Expenditure
- Low Ongoing Input Costs

GEODYNAMICS

What Are The Risks?

- Typically smaller companies
- Technology/Intellectual Property bias
- Can be embedded in a larger company
- Varied sectors
- Can take time to become investment grade
 - Geodynamics (base load renewable energy, mkt cap \$349m)
 - GRD (waste recycling, mkt cap \$292m)
 - White Energy (coal upgrading technology, mkt cap \$370m)
 - Dyesol (solar power, \$81m)
 - WorleyParsons (Advanced Solar Thermal, mkt cap \$7.2b)
 - Carnegie Marine (wave technology, mkt cap \$79m)
 - Silex Systems (uranium and silica enrichment, mkt cap \$560m)
- Portfolio allocation consistent with your risk profile

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