

# NEWS RELEASE

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Contact: William S. Leavitt  
Leavitt Capital Management, Inc.  
3000 Dundee Road, Suite 101  
Northbrook, IL 60062-2424  
(847) 205-1300  
E-Mail: [leavitt@leavittcapital.com](mailto:leavitt@leavittcapital.com)  
Website: [www.leavittcapital.com](http://www.leavittcapital.com)

## **WATER -A NEW ASSET CLASS IN PORTFOLIO MANAGEMENT**

***According to investment manager William S. Leavitt, the global water crisis has created a new, unique investment opportunity.***

November 10, 2010 – Speaking at a private family office conference in Singapore, William S. Leavitt, President of **Leavitt Capital Management, Inc.** said water is a new asset class that will become an integral part of high net worth and institutional portfolios. According to Leavitt, the global water crisis is creating a mass of involuntary buyers, resulting in a tremendous, uncorrelated investment opportunity.

Attendees at the private conference include elite investors, ultra high net worth individuals and family offices from around the world. Mr. Leavitt, whose water discussions have been twice featured in Dr. Marc Faber’s *The Gloom, Boom & Doom Report*, was asked to present his views on non-correlated investment opportunities at the prestigious event.

“Global demand for water has been rising for a century,” Leavitt said. “The world population is expected to grow 50% in the next 40 years, WHO estimates 66% of the world will live in water stressed areas by 2025 and while 70% of the planet is water, only 0.25% is available to drink,” he added.

“It’s a very serious issue, whether or not people realize it,” said Leavitt. “Populations and global demand are increasing rapidly, which exasperates the problems with infrastructure, pollution, food production and so forth,” he added.

The facts Leavitt pointed out are disturbing. Approximately 40% of China’s water supply is unfit to drink due to pollution, while 300 million Chinese lack access to safe water. Major U.S. cities lose more than 40% of their drinking water due to leaks in century-old infrastructure. Furthermore, those leaks create safety risks by letting contaminants into the water supply.

“Male fish are developing female organs and laying eggs,” he said. “This is caused by people taking medications and passing the waste into the water.”

Leavitt identified several major themes his investment team is focusing on. The most opportunistic in his view are pollution and technology solutions, water rights, infrastructure, desalination and remediation.

Identifying the themes is not the difficult part, according to Leavitt. Finding skilled managers that can capitalize on those themes is.

“In terms of viewing water as an investment, let alone a separate asset class, we are in the very early stages. Consequently, the most difficult task is finding skilled managers in this space with a proven track record.” he said. “We know thematically these are the areas to be in, but it has taken four years of combing the earth to find the right people,” he added.

“This is the dawn of a new asset class,” Leavitt said. “But we feel we are ready.”

[William \(Bill\) Leavitt](#) is an expert on alternative investments and writes about water and energy. Mr. Leavitt is the president of **Leavitt Capital Management, Inc.**, a registered investment advisory firm established in 1985. His firm specializes in identifying and investing in unique investments, affording wealthy families and institutions exposure to a multitude of opportunities, including water, food, agriculture, energy, environmental solutions and timber, among others. Mr. Leavitt’s research and investments span to virtually all areas of the world, including sugarcane ethanol plants and cattle ranches in rural Brazil, timber harvesting sites in New Zealand and manufacturing facilities in Vietnam, Ukraine, Africa, and China.

Mr. Leavitt is a frequent guest speaker whose comments on alternative investments have been mentioned in the Wall Street Journal, Financial News Network, Emerging Markets Week, MAR HEDGE, Smart Money Online, TheStreet.com and ABCNews.com.

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