



INFORMED PORTFOLIO MANAGEMENT

MÄSTER SAMUELSGATAN 6 | STOCKHOLM | SWEDEN
T +46 8 201929 | F +46 8 4529760 | WWW.IPM.SE

IPM Informed Portfolio Management launches first Sharia compliant Fundamental Index

The world's first Sharia compliant portfolio based on the Fundamental Index® methodology has been developed for the SEDCO Group based in Saudi Arabia by Swedish based investment manager IPM Informed Portfolio Management (IPM).

The mandate is based on a Global Sharia screened portfolio using FTSE RAFI Global Index weightings. Structured as a managed account, it joins the suite of IPM RAFI® (Research Affiliates Fundamental Index) Funds in which over 30 major European institutional investors are invested.

A Sharia compliant RAFI portfolio is likely to benefit those institutions seeking the additional returns that RAFI offers, but previously excluded from existing Fundamental Index platforms by their non-compliance.

Commenting on the launch, Jonas Rinné, Chief Executive Officer of IPM, said:

"IPM is the market leader in implementing Fundamental Index solutions for what is an increasing number of European institutional investors. This innovative new mandate builds on our expertise in this area and brings the advantages of the RAFI strategy to an important new range of investors in the Middle East and on a wider global scale."

The Fundamental Index methodology is a unique approach to portfolio construction, in which index weights are determined by fundamental measures of company size (cash-flow, book value, dividend and sales), instead of being based on price and valuation.

Capitalisation weighted indices overweight all overvalued securities and underweight all undervalued securities. The RAFI approach avoids this problem, while retaining the benefits of index investing: full market representation, diversification, large capacity, high liquidity and low turnover. RAFI indices have outperformed their capitalisation-weighted counterparts by over 200 basis points per annum on average over time.

Enhanced RAFI further improves the methodology, adding measurable value through systematic accounting screening and active re-weighting.

Through a co-operation with Swedish based GES Investment Services, IPM RAFI funds are screened for compliance with international conventions and guidelines on environment, human rights and business ethics. Available regional/country funds in the IPM Fundamental Umbrella Fund are: RAFI Global, RAFI Global GBP, RAFI US, RAFI Europe, RAFI Japan and RAFI Emerging Markets.

About IPM

IPM is an investment manager offering diversified solutions to institutional investors. Assets under management currently exceed USD 8 billion for over 50 of Europe's most sophisticated pension funds, sovereign funds and other institutional clients in GTAA, Currency Management, and Equity Management strategies.

For further information please refer to www.ipm.se

Or contact:

Paul Roberts
Senior Vice President
+46 8 201929