

## **PRESS ALERT**

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### **Strategically Aware Investing (SAI) concept takes off**

#### **New asset manager to have sharp emerging markets focus**

LONDON, 2 DECEMBER 2013 — A new London-based asset manager launched yesterday will include a strong BRICs and emerging markets focus as part of its **Strategically Aware Investing (SAI)** approach.

The dynamic BRICS markets, notably Brazil, China and South Africa initially, will be a notable focus for the new UK company, Inflection Point Capital Management (IPCM), a joint venture between one of Europe's leading asset managers, La Française and IPCM of Canada. *(For a full background on the new company see the accompanying briefing document).*

Under the agreement, London based IPCM will apply its ground-breaking SAI philosophy to advise around \$1 billion.

IPCM currently Co-Chairs the United Nations Environment Programme Finance Initiative ([www.unepfi.org](http://www.unepfi.org)), the largest and oldest partnership between the United Nations system and the global financial services and investment sectors.

Shortly before the new JV was launched, Dr Matthew Kiernan, Founder and CEO of Inflection Point Capital Management (IPCM), and IPCM team members, visited South Africa, China and Brazil.

Kiernan explained: "An SAI approach builds on nearly 20 years of our investment research and is engineered to enable those asset owners and asset managers controlling USD 32 trillion and backing the United Nations' Principles for Responsible Investment ([www.unpri.org](http://www.unpri.org)) to go beyond ESG rhetoric and integrate PRI realities into the heart of their investment processes."

"We 'soft launched' the concept of Strategically Aware Investing (SAI) with a group of asset owners and asset managers in these key BRICS economies in recent weeks. We got a great response to SAI which BRIC investors see as particularly relevant to their needs and, in reality, it is the large institutions and sovereign funds like China Development Bank, the Government Employees Fund of South Africa and PREVI in Brazil who are leading the way for the PRI community at the moment," he added.

#### **IPCM & SAI in South Africa**

Martin Kuscus, Chair of the Miners Provident Fund in South Africa, who joined the very first SAI presentation in Cape Town in early October, commented: "Dr Kiernan's concept of Strategically Aware Investing (SAI) comes at exactly the right time for many SA and BRICS investors."

"The Global Mega Trends that Kiernan's company tracks, whether innovation, urbanization, climate change or resource stresses, amongst others, are particularly relevant to a comprehensive understanding of risk and reward," added Kuscus, the former Chair of Trustees for the USD 145 billion Government Employees Pension Fund of South Africa (GEPIF SA).

## **IPCM & SAI in China**

Yuebing Lu, Professor, Center for Enterprise Growth of Tsinghua University and former China CEO of Climate Change Capital, who joined the first Strategically Aware Investing (SAI) presentation in Beijing in mid November, commented: “Dr Kiernan’s SAI concept will be critical for many Chinese and BRICS investors. Within China the concepts of sustainable development and the drive for an ecological civilization are growing more important for those investors who see the benefits of long-term SAI style thinking.”

“The Global Mega Trends that Kiernan’s concept integrates are particularly relevant to assist Chinese investors gain a deeper understanding of emerging issues playing out in the worldwide investment community,” added Mr Lu, a well known thought leader in China on responsible investment and sustainable finance.

## **IPCM & SAI in Brazil**

Paul Clements-Hunt, a Global Strategy Advisor to the IPCM CEO, and who has been leading the company’s BRICS outreach, last Friday (29 November) joined the launch of the 9th annual presentation of the BOVESPA Sustainability Index in Sao Paulo. BOVESPA is the Brazilian City’s stock exchange which has led numerous ground-breaking initiatives to integrate environmental, social, developmental and governance issues into investment-policy and investment decision-making.

Clements-Hunt speaking from Brazil commented: “Since the first global United Nation’s Rio Earth Summit in 1992 Brazil has led the way on sustainability and this is true within their investment community. The BOVESPA Sustainability Index is aligned with the ideas that underpin IPCM’s SAI focused investment approach.”

“Also, if you look at the work by PREVI, the pension fund of Banco de Brasil, to support the UNPRI and to spread word across Latin America they have been first rate in their commitment and educational work for other asset owners across the LATAM region,” Clements-Hunt explained.

“SAI creates a broader lens with finer resolution enabling Brazilian investors to take into account a wider range of the many risk and reward considerations that are already impacting investment portfolios across Brazil and other Latin American countries.”

“Whether it is resource efficiency or resource depletion, global warming impacts, energy security, food security and risks along global supply chains, the management of proactive forward-looking companies can employ SAI to better understand the changing world and markets they operate and invest in,” added Clements-Hunt, former head of the United Nations Environment Programme Finance Initiative ([www.unepfi.org](http://www.unepfi.org)).

While a United Nations staff member (2000-2012), Clements-Hunt was the original backer of the Principles for Responsible Investment (for more on PRI see [www.unpri.org](http://www.unpri.org)). PRI, a 2006 UN initiative launched by Former UN Secretary General Kofi Annan, is now backed by more than 1200 institutional investment organizations representing more than USD 32 trillion in assets.

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**About Inflection Point Capital Management (IPCM)**

Inflection Point Capital Management (IPCM) is a boutique asset manager created in 2009, specializing in integrating analysis of “non-traditional” investment risk and return drivers alongside fundamental and quantitative factors. The new joint venture will be based in London, with a strong presence in Paris, New York and other international investment centres.

IPCM’s principals have been building high-performance investment strategies based on “non-traditional” risk and return drivers for over a decade through their previous firm, Innovest Strategic Value Advisors. Innovest was the #1-ranked investment research firm in the world in its field, and sub-advised on roughly \$1.5 billion in assets for some of the largest and most sophisticated institutional investors in the world. Its largest external investor was APG, Europe’s largest pension fund.

IPCM has developed and applied two proprietary tools to help uncover the winning, “future-proof” companies of tomorrow:

- a proprietary 5-Factor model analyzing companies’ strategic management and execution capabilities in the emerging new competitive environment
- a systematic assessment of individual companies’ net exposures to the major global megatrends cited above. IPCM’s research has revealed same-sector variations of thirty times or more in companies’ risk exposures; few if any of these differences can be captured by traditional analysis.