



**European Fund of Islamic Finance  
Milano, Italy, 13 May 2009**

**Islamic Wealth Management and Private Banking**

**Presented by:**

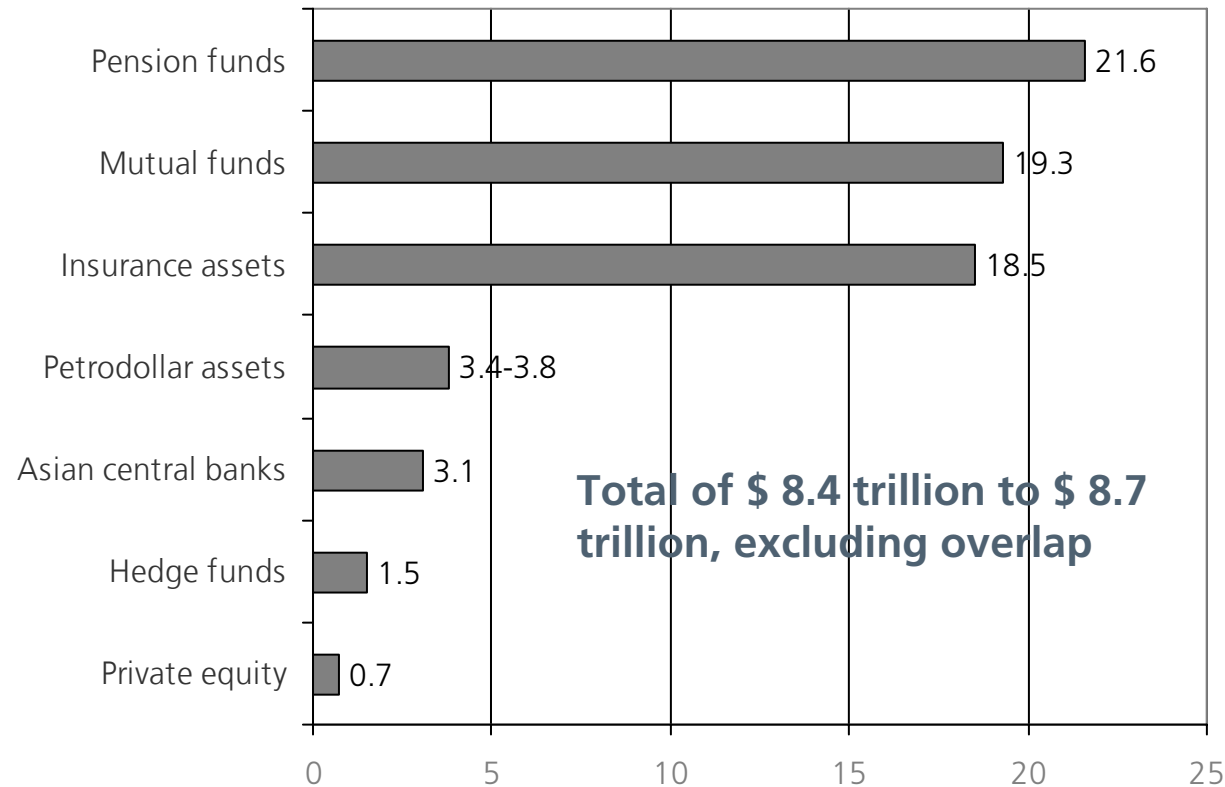
Peter Ohnemus, CEO & President, ASSET4, Zug, Switzerland

# The world's new financial power brokers

Assets under management

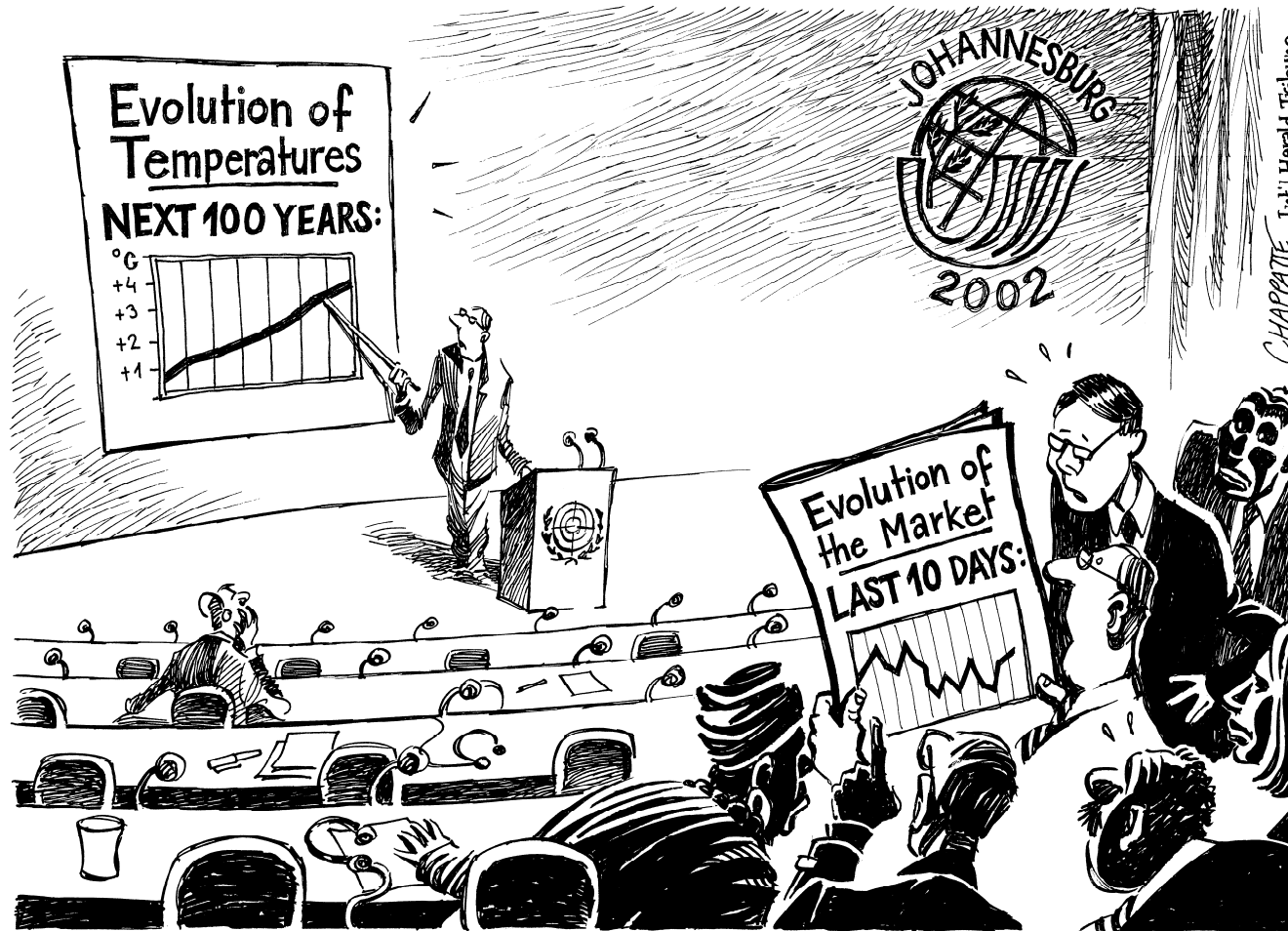
2006, trillion US\$

Compound annual growth rate (CAGR), 2000-06, %



Source: McKinsey

# Balancing long-term expectations with short-term behaviour



USD 5 trillion ESG screened  
USD 14 trillion AuM supporting PRI  
CO2 certificate trading going from USD 50 bio to USD 300 bio by 2010

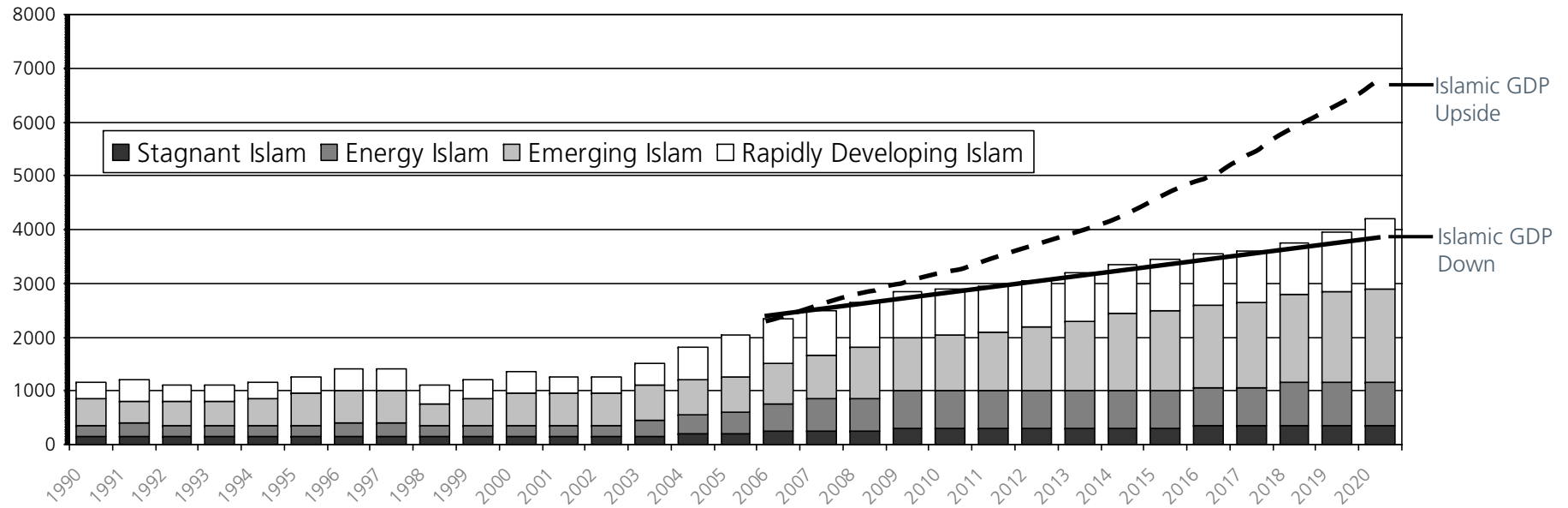
# After 2008: increasing scrutiny from all stakeholders

## Risk - reputation - regulation



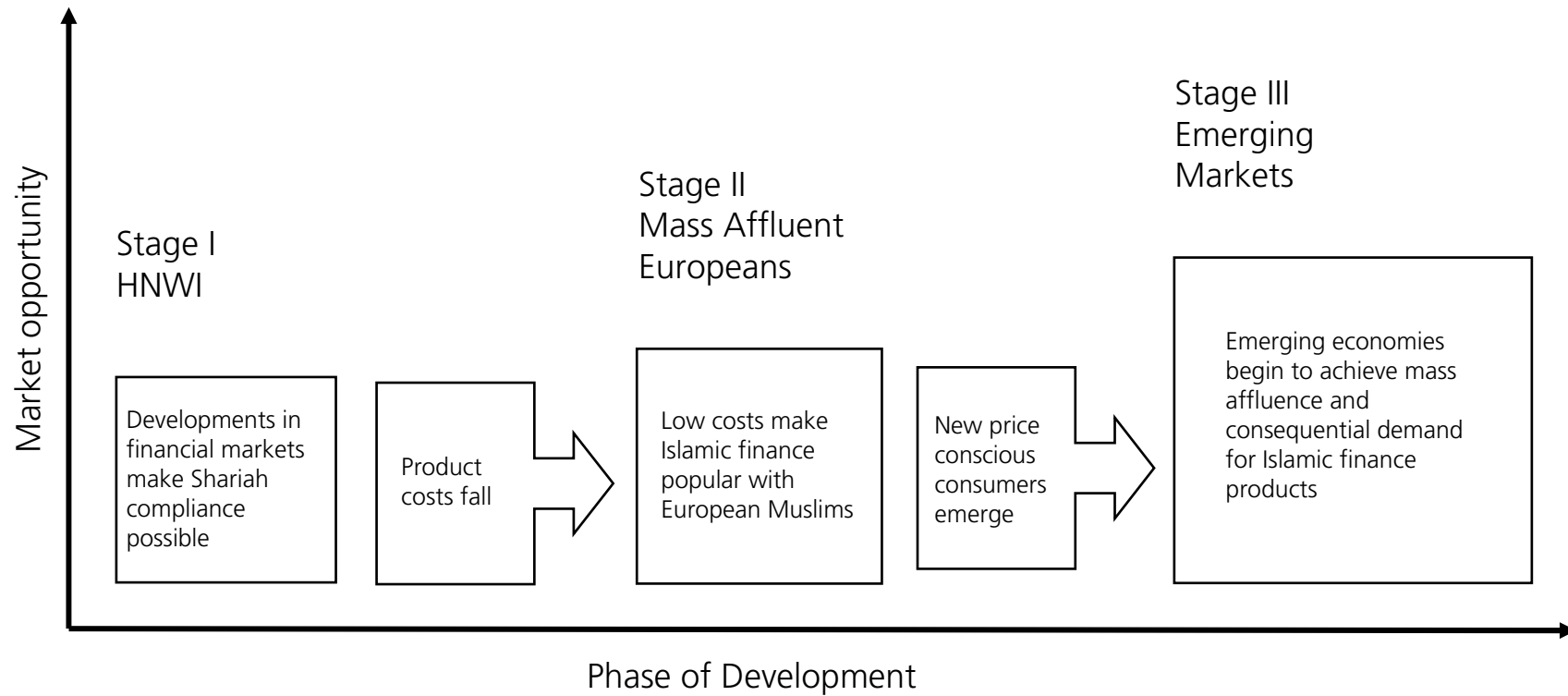
# Islamic GDP: Forecast Scenarios

Billions US\$



Sources: IMF, UN Population Database, Accenture Research forecasts

# Islamic Finance Potential Scenarios

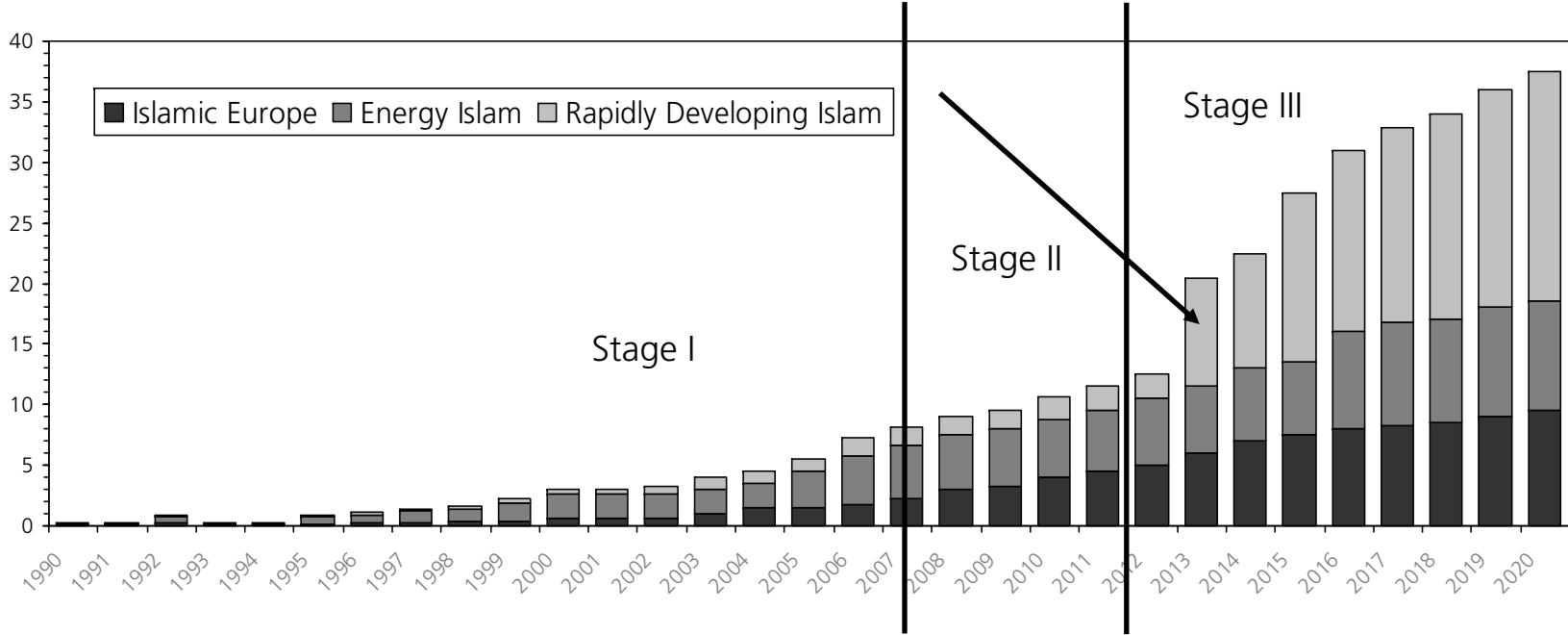


Source: Accenture Research

# Islamic Savings

Billions US\$

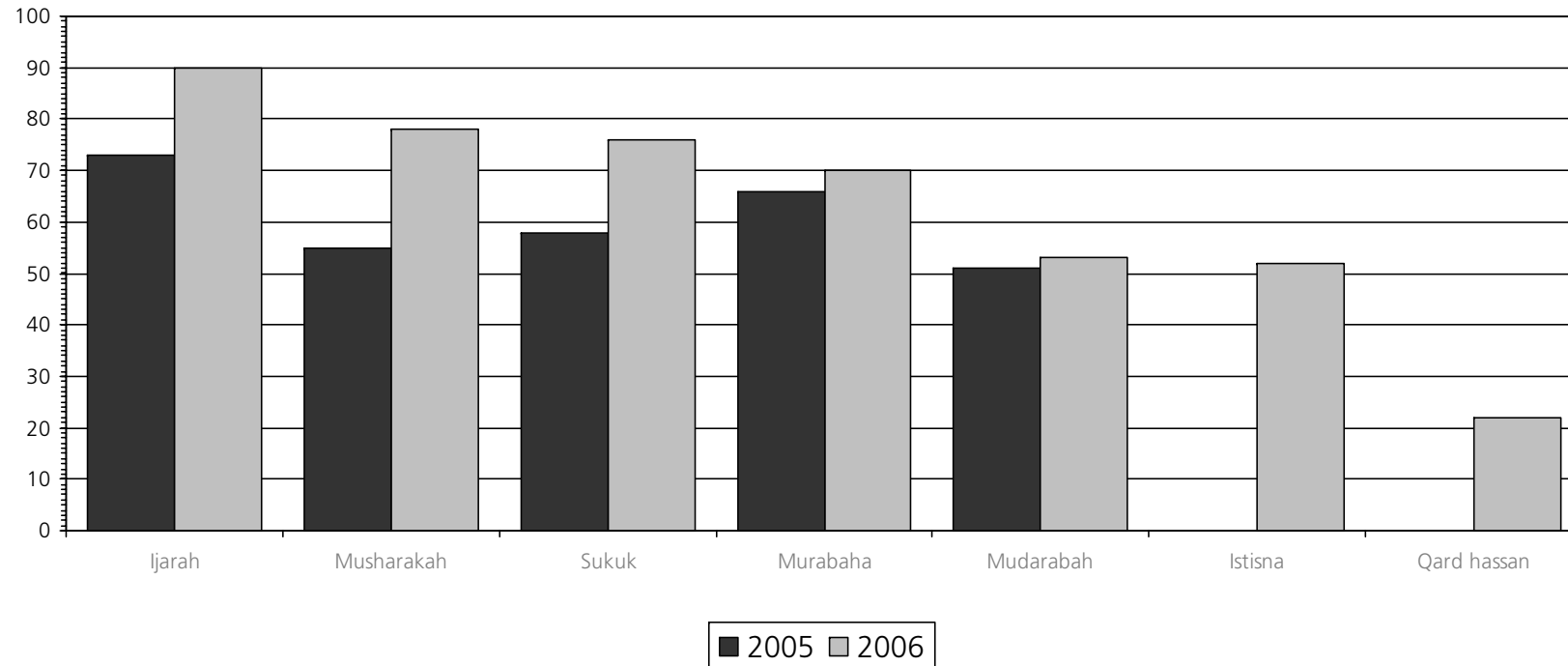
Turkey begins to save significantly



Sources: IMF, UN Population Database, Accenture Research forecasts

# Islamic financing uses different methods

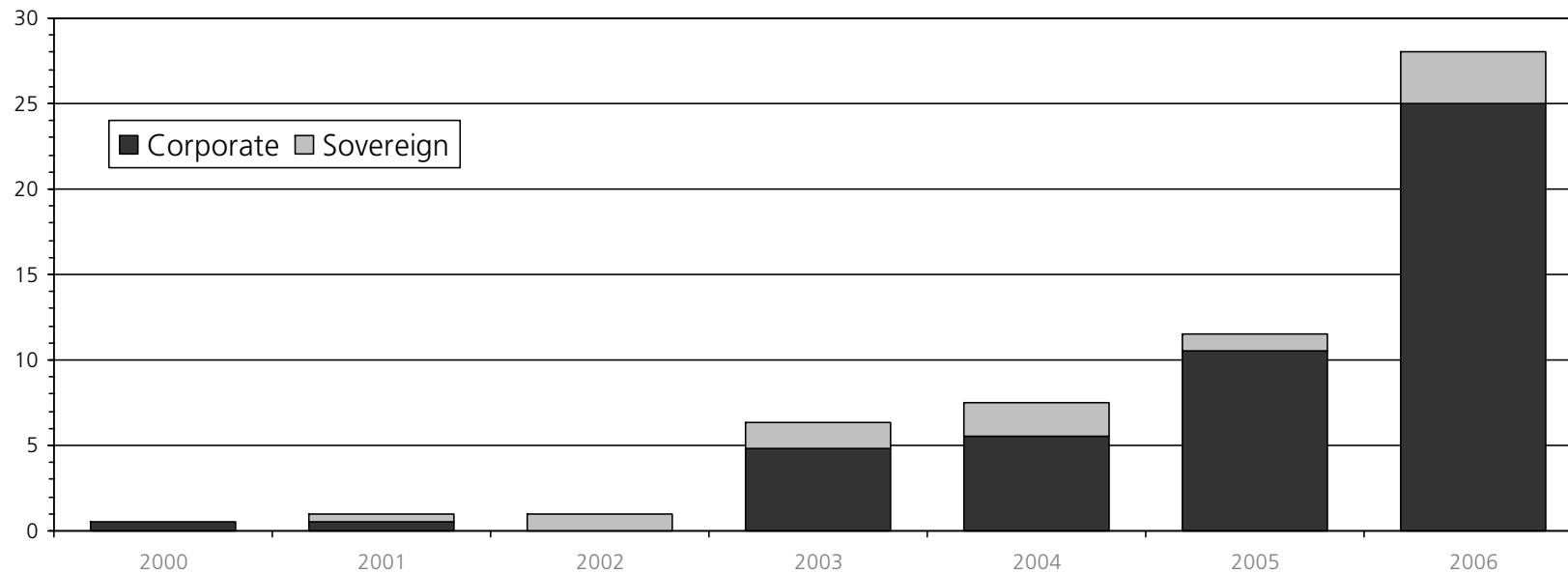
Percentage of respondents favouring use



Source: RICS.org

# Sukuk Issuance is growing rapidly

Billions US\$

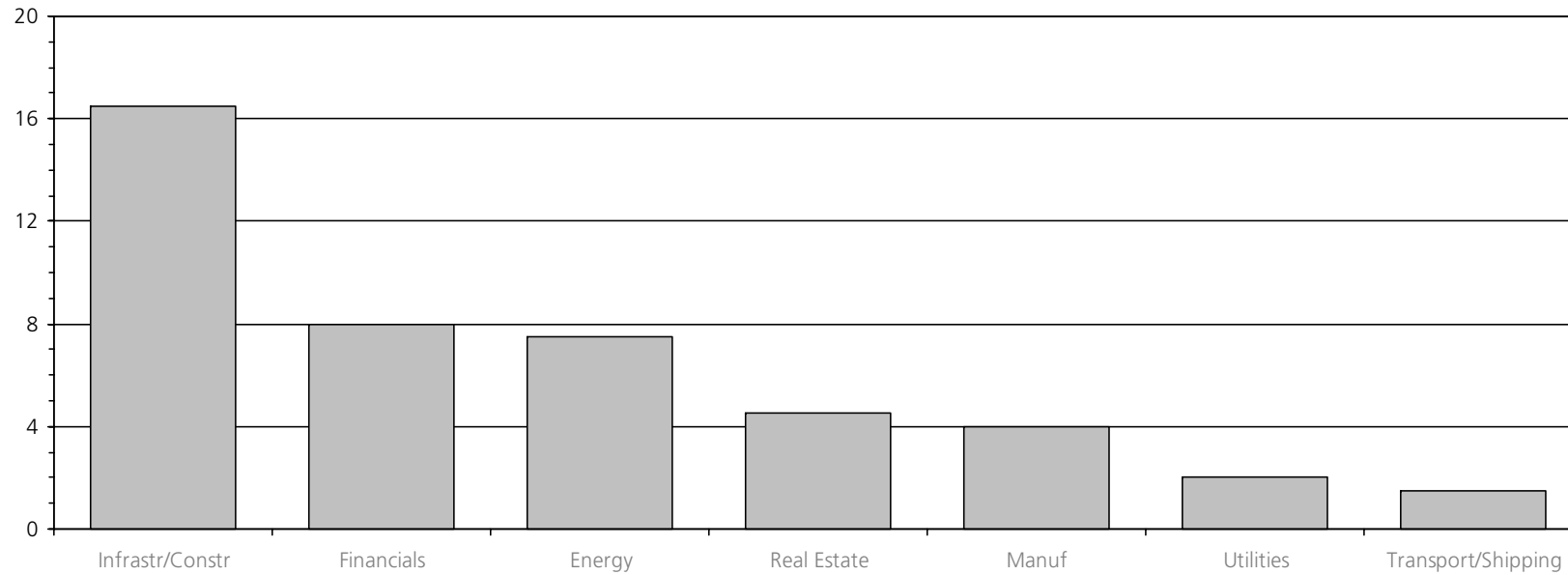


Source: Islamic Finance Information Services, GS calculations

# Half of Global Sukuk Issuance goes into Financial Services and Infrastructure

Billions US\$

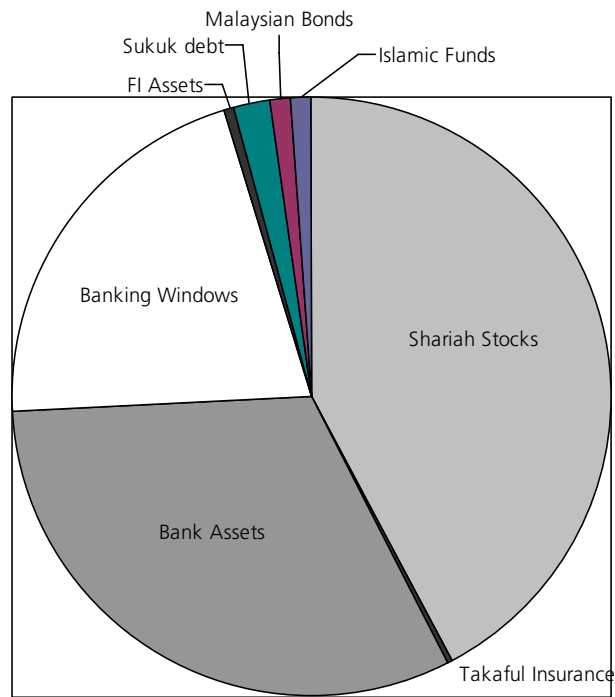
■ Corporate Issuance, 2000-2006



Source: Islamic Finance Information Service, GS calculations

# Composition of Islamic Finance

2005, %



Source: Islamic Finance Service Board

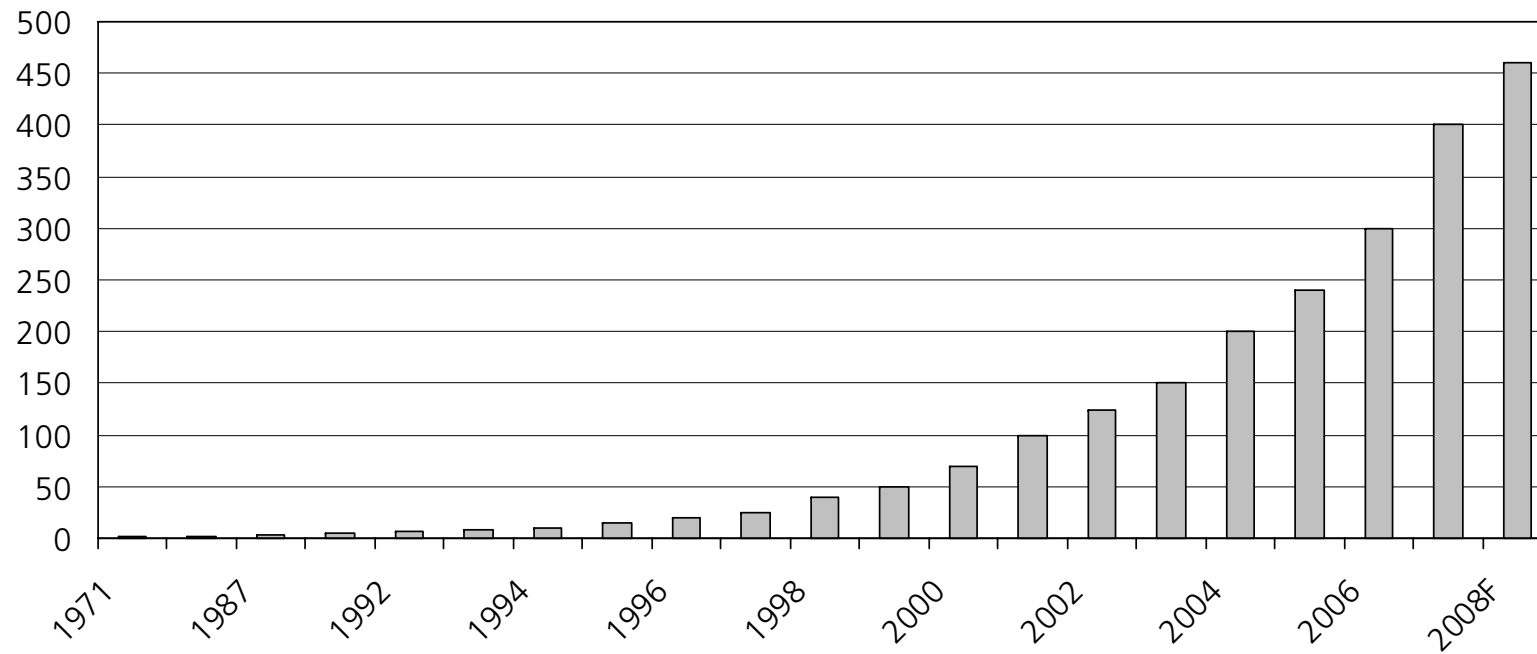
# Values Based Investing / ESG is a factor in the global financial marketplace (screening)

	<u>No. of funds</u>	<u>Global VBI Funds</u> (Billions US\$)
Global VBI Total		5'243.8
<b>SRI Total</b>		<b>4'243.8</b>
US	246	2'711.0
Europe	451	1'507.2
Asia-Pacific	163	24.0
Australia	89	16.9
China	1	0.3
Hong Kong	6	0.3
Japan	34	3.1
Malaysia	3	0.0
Multi-country	7	1.0
New Zealand	1	0.9
Singapore	2	0.1
South Korea	18	1.3
Taiwan	2	NA
South Africa	21	1.6
<b>Sharia funds</b>		<b>1'000.0</b>

Source: Merrill Lynch ISG, Social Investment Forum, OWW Consulting Research

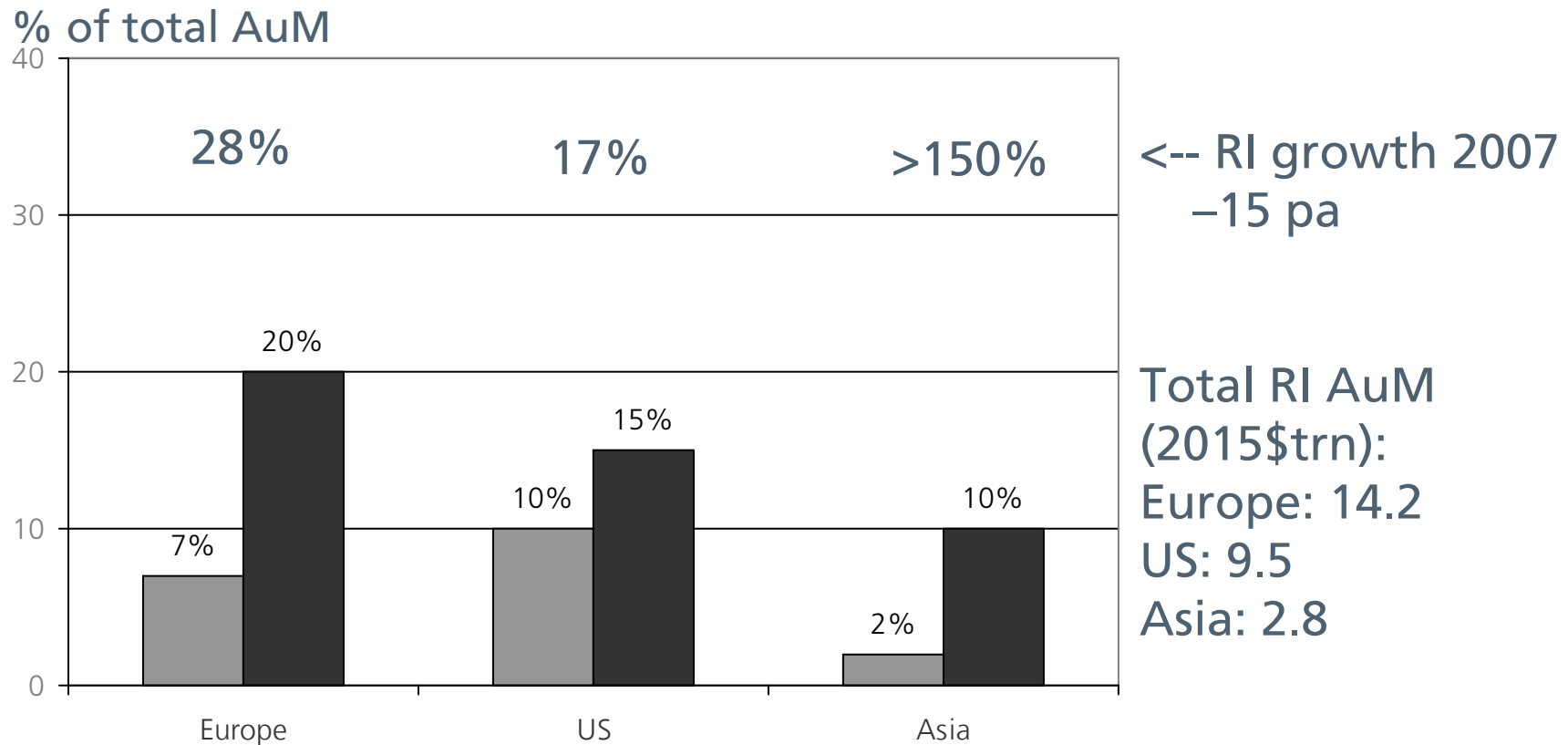
# Strong growth of Shariah-compliant products

Number of funds



Source: UBS WMR, Lipper as of Sept 2008

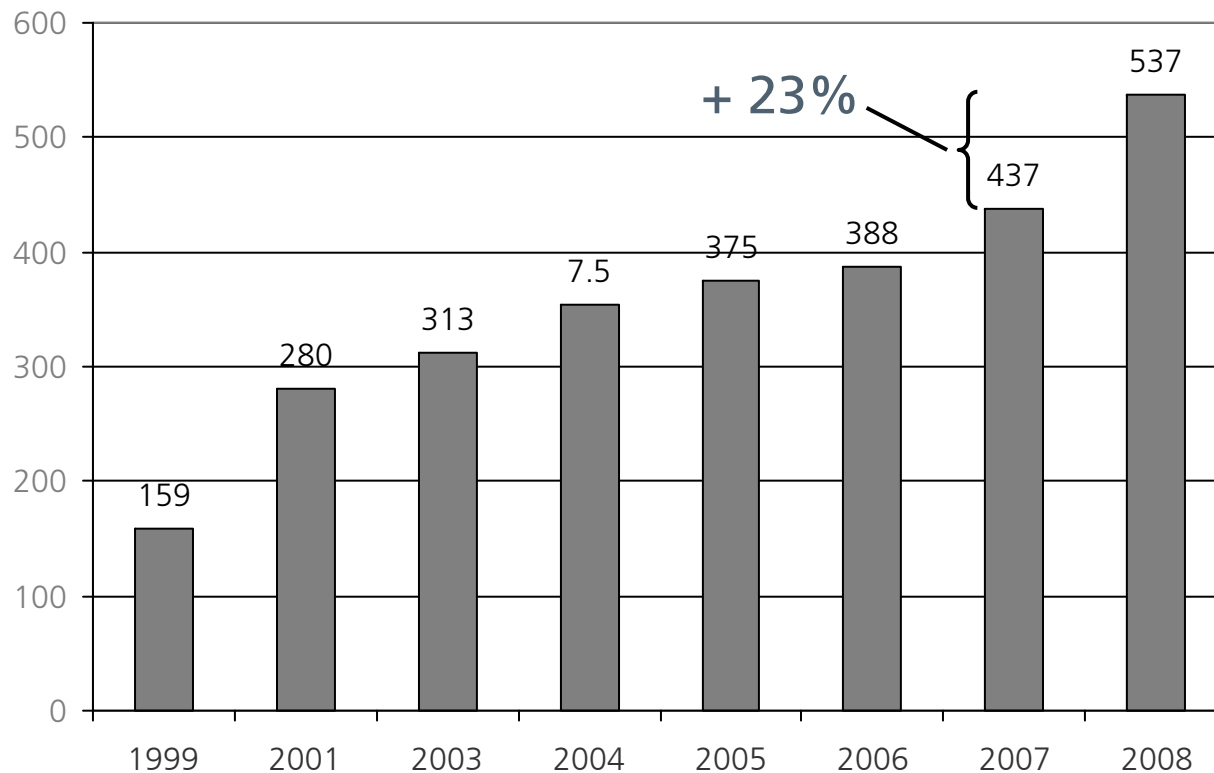
# Responsible investment market growth forecast



Sources: Booz Allen & Co, Robeco Bank

# Number of European SRI funds

Number of European SRI funds, cumulated, in the period 1999 to 30 June 2008



SRI in the US accounted for USD 2.71 trillion in 2007, which is roughly 11% of total AuM

Source: Vigeo, 2008

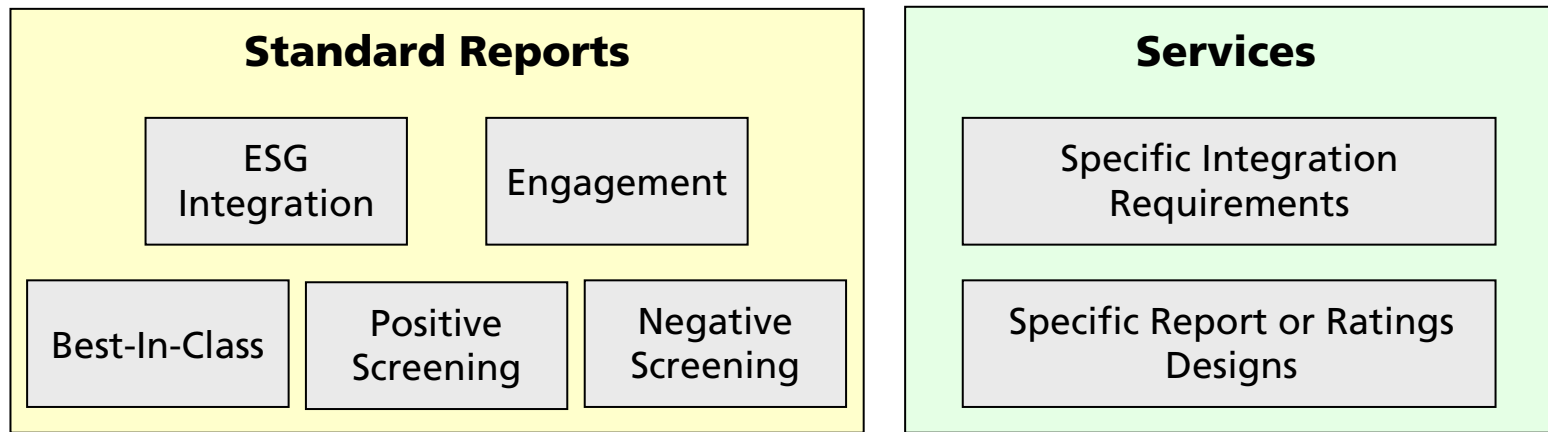
## Addressing responsible investment strategies

RI Strategy	Definition	Types	ASSET4
Positive Screening	Seeking to invest in companies with a commitment to responsible business practices, or that produce positive products and/or services.	Best-in-class	✓
		Pioneer Screening	✓
		Thematic Investments	✓
Negative Screening	Avoidance of investment in targeted companies, industries and countries.	Ethical exclusions	✓
		Simple screening	✓
Engagement	Active voting and engagement in companies in which one has invested	Engagement	✓
Integration	ESG is incorporated into investment analyses and decision making.	Integration	✓

Source: Robeco – *Responsible Investing: A Paradigm Shift*

# ASSET4 product and services strategy

Visualise, calculate, customise and print



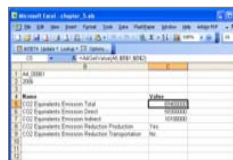
## Tools



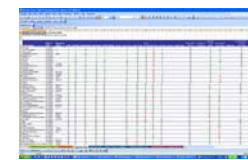
amP



amE



Add-In



Sovereign



Shariah



# What the press is saying

## THE 2008 ACCOUNTABILITY RATING

# KEEPING GOOD COMPANY IN TOUGH TIMES

**I**T'S NOT EASY BEING GREEN—or transparent, or an overall good corporate citizen—when the global economy appears to be slowing. Management and shareholders scrutinize every dollar a corporation spends; all too often, so-called socially responsible efforts—things like reducing the company's carbon footprint or building businesses in developing nations—get slashed.

But the companies that sit atop our 2008 Accountability Rating don't see sustainability as optional. "It is core to our long-term success as a business to behave in a responsible way," says Chris Burgess, director of corporate responsibility at Vodafone, the mobile-phone operator.

Fortune for the fourth year has partnered with AccountAbility, a London-based think tank, and Csrnetwork, a for-profit consultancy, to measure the world's 100 largest companies on their commitment to social and environmental goals. The ratings, supported by information from Asset4, a Swiss data company, look at companies' efforts to be accountable as well as at the impact they are making.

Thus Vodafone, which tops the list, has a long history of being socially accountable as well as at the impact they are making. It has committed to that it will halve its carbon dioxide emissions by 2012. Vodafone's carbon footprint has declined over time. But it also gets credit for offering low-cost phones and a mobile-banking service in rural Kenya, with measurable results: Vodafone says it now has more than four million customers there.

Vodafone launched the mobile-banking program as a corporate-responsibility effort, but the operation quickly moved into a business unit, Burgess says. Vodafone and many other accountability leaders say serving low-end consumers isn't altruism: The companies truly believe the customers will be loyal users of their services who may consume

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## THE 2008 ACCOUNTABILITY RATING

Ranking the world's largest companies by their effectiveness as managers of corporate social responsibility issues.



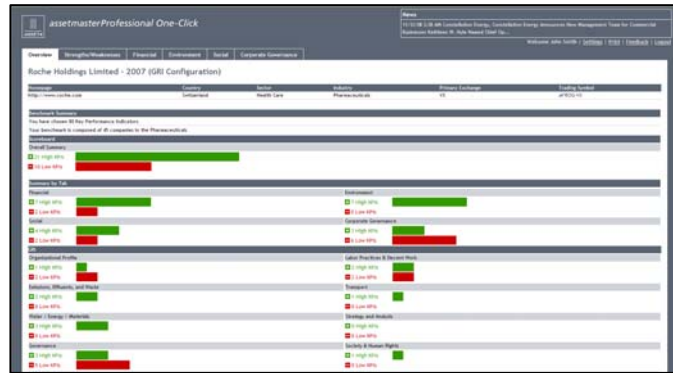
Rank 2008	Rank 2007	Company	Global 500 rank	Accountability score
1	5	Vodafone	85	77.7
2	13	General Electric	12	70.2
3	4	HSBC Holdings	20	67.7
4	46	France Télécom	84	67.3
5	8	HBOS	45	66.2
6	-	Nokia	88	63.8
7	20	Électricité de France	68	62.3
8	-	Suez	97	61.8
9	1	BP	4	61.6
10	6	Royal Dutch Shell	3	61.2
11	24	Hewlett-Packard	41	61.1
12	2	Barclays	70	60.1
13	43	AXA	15	58.8
14	15	ING Group	7	58.2
15	38	Toyota Motor	5	57.8
16	9	Chevron	6	57.6
17	32	Citigroup	17	57.0
18	3	Eni	27	56.9
19	33	Deutsche Telekom	64	56.0
20	1	Tesco	51	56.0
21	0	Daimler	11	55.9
22	0	Toshiba	91	55.8
23	7	Ford Motor	13	55.3
24	6	E.ON	52	54.9
25	2	IBM	46	54.5
26	39	Volkswagen	18	54.0
27	37	Royal Bank of Scotland	36	53.7
28	47	BMW	78	53.7
29	18	Total	8	53.0
30	26	Carrefour	33	52.8
31	51	ConocoPhillips	10	52.5
32	42	Dexia Group	19	52.0

# Selected clients

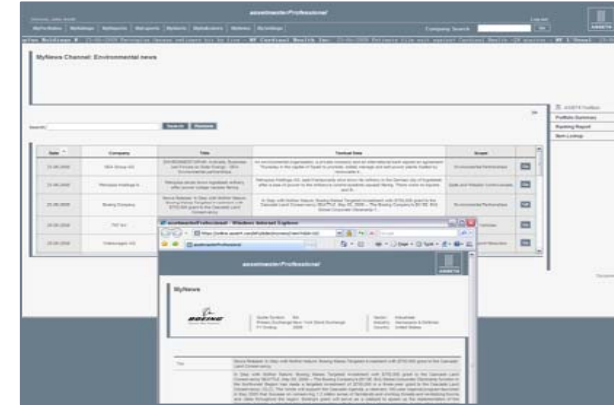


Pension fund management, fund research, risk assessment & control, fixed income models, buy/sell side research, product development, negative screening, ESG rating, SRI research, investment criteria monitoring

# ASSET4 framework: flexible approach

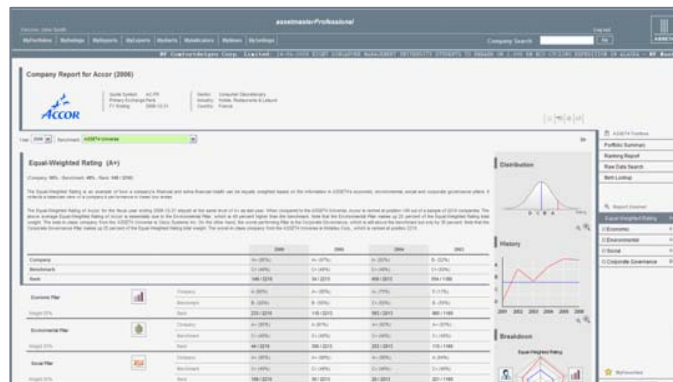


One-Click ESG Interface



MyNews Channels

World's Largest ESG Database



assetmasterProfessional

The screenshot shows an Excel spreadsheet with the following data:

Name	Value
CO2 Equivalents Emission Total	69400000
CO2 Equivalents Emission Direct	59300000
CO2 Equivalents Emission Indirect	10100000
CO2 Equivalents Emission Reduction Production	Yes
CO2 Equivalents Emission Reduction Transportation	No

Excel Add-In

# Islamic wealth management with integrated KPIs



Ticker-driven / calling one-click ESG interface

Easy to use

Immediate opinion → result

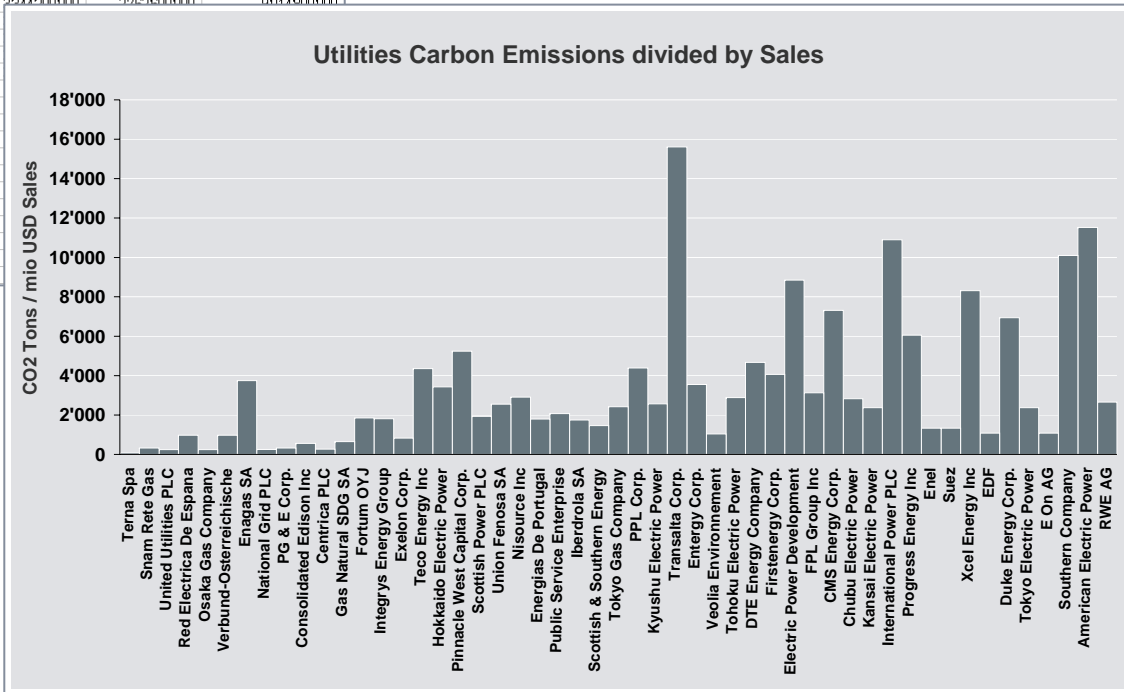
Investable results → immediate return / outperformance

# Excel Add-In

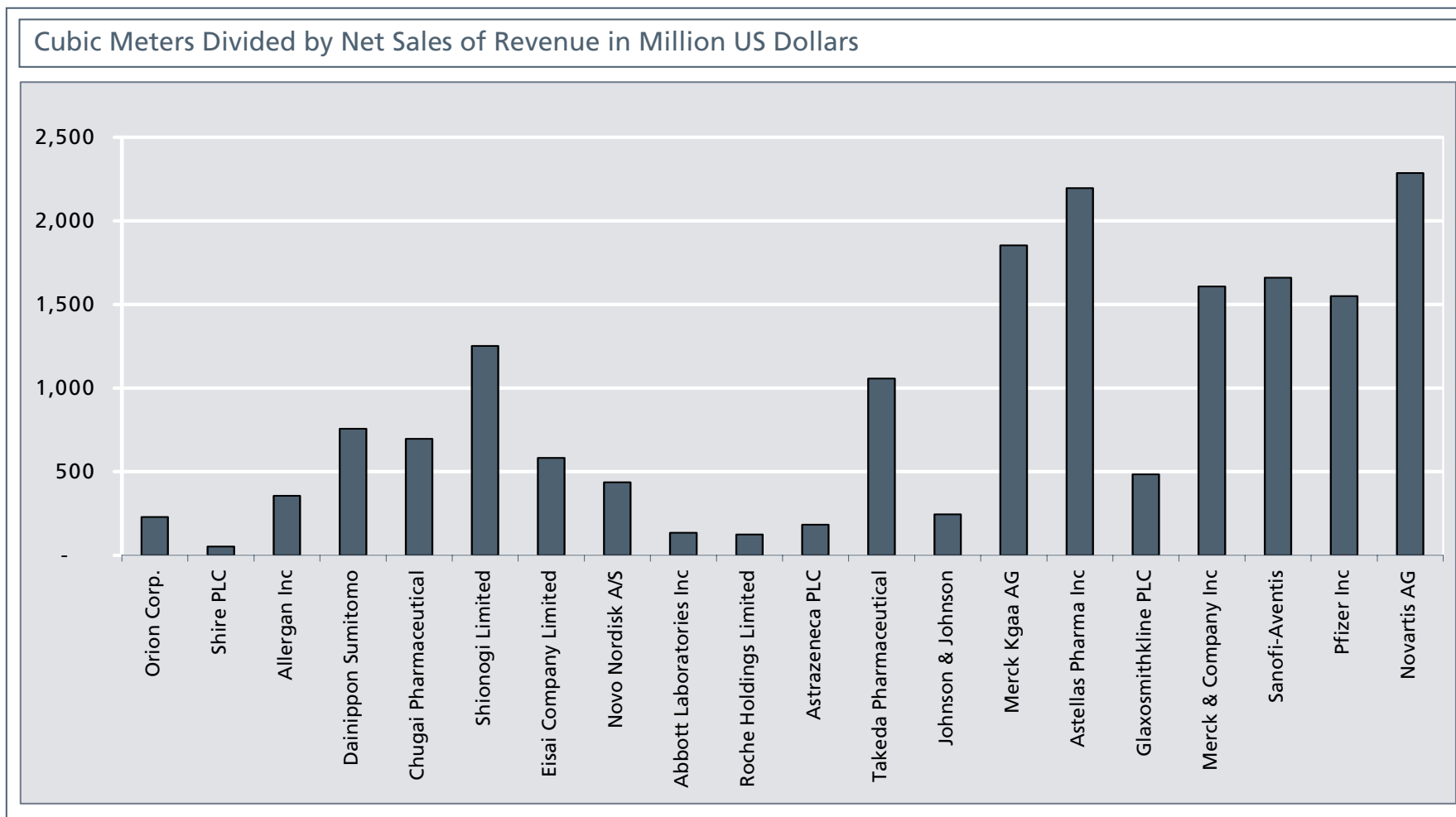
## Carbon impact on Utilities

Carbon impact on Utilities - performance analysis

	A	B	C	D	E	F	G	H
1	Data as per 2006							
2	<b>Company</b>	<b>CO2 Emissions [Tons]</b>	<b>CO2 Emissions divided by Sales [Tons CO2 / mio USD Sales]</b>	<b>Carbon Allocation Price EUA 2007 (EUR 0.5 per Tonne)</b>	<b>Carbon Allocation Price EUA 2008 (EUR 23 per Tonne)</b>	<b>Low End Hypothesis for 2050 - Stern Report (EUR 19 per Tonne)</b>	<b>High End Hypothesis for 2050 - Stern Report (EUR 62 per Tonne)</b>	
3	RWE AG	150500000	2661	75250000	3461500000	2859500000	9331000000	
4	American Electric Power	145400000	11520	72700000	2324500000	2763500000	6814500000	
5	Southern Company	145000000	10100	72500000				
6	E On AG	112700000	1085	56350000				
7	Tokyo Electric Power	106094000	2372	53047000				
8	Duke Energy Corp.	105400000	6942	52700000				
9	EDF	84330000	1085	42165000				
10	Xcel Energy Inc	81800000	8313	40900000				
11	Suez	78100000	1337	39050000				
12	Enel	65849131	1331	32924566				
13	Progress Energy Inc	58000000	6061	29000000				
14	International Power PLC	52294000	10898	26147000				
15	Kansai Electric Power	52000000	2369	26000000				
16	Chubu Electric Power	51820000	2832	25910000				
17	CMS Energy Corp.	49627849	7317	24913925				
18	FPL Group Inc	49141111	3128	24570556				
19	Electric Power Development	46830000	8848	23415000				
20	Firstenergy Corp.	46761422	4066	23380711				



# Water consumption for the pharmaceutical sector



## ASSET4 universe – Listed companies

- Universe of 2,800+ public world companies with 3 years of historic data
- Coverage of major indices such MSCI World MSCI Europe, Stoxx 600, NASDAQ100, S&P500 and FTSE350 and major country indices
- Growing to cover largest MSCI Emerging Market companies

