

ipac introduces further manager diversification to global emerging markets

Global emerging markets can play a diversifying role in a portfolio given their low correlation to developed markets. They also offer superior growth potential as they provide exposure to high growth developing economies. Late last year, ipac increased the allocation to global emerging markets in the diversified portfolios to improve diversification and capture a greater breadth of investment opportunities. With the increased scale available in the sector, ipac has been able to appoint additional managers to offer more diversification of risk and volatility and a greater breadth of ideas and sources of return. ipac appointed GMO to the sector in November 2009 and, more recently, Genesis Investment Management (Genesis) in July 2010. The sector now invests with three managers: Esemplia, GMO and Genesis.

manager allocations	strategy style	% range
Esemplia	market oriented	30 - 50
GMO	value	30 - 50
Genesis	growth	10 - 25

Genesis is a specialist emerging market equity management firm. The company was founded in 1989 as a private partnership, however since 2004 ownership has been split between the 40% interest held by key staff and 60% interest purchased by US based Affiliated Managers Group.

how Genesis brings added value to the sector

The global emerging markets strategy managed by Genesis has a growth orientation. The manager believes that superior long term returns in emerging markets are delivered by identifying underpriced companies. Using its own independent research, the manager aims to identify companies which are best able to exploit emerging market growth opportunities and which are trading at an attractive discount to their assessed intrinsic value. The manager aims to add value through its longer term perspective and through its understanding of company management.

For more information about global emerging markets, please refer to the sector profile.

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