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# THOMSON REUTERS AND CRESCENT WEALTH LAUNCH ISLAMIC INVESTMENT INDEX FOR THE AUSTRALIAN MARKET

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**T**homson Reuters and Crescent Wealth Launch Islamic Investment Index for the Australian Market Thomson Reuters and Crescent Wealth open up emerging Islamic finance market, expanding investment opportunities and strengthening Australia's position as a destination for Islamic investment.

Thomson Reuters and Crescent Wealth, the Australian Islamic investment manager, have launched an Islamic investment index for Australia to help open up this resource-rich market to Islamic finance investors globally. The index enables investors to benchmark the Australian equities market and therefore provides a powerful tool to those wishing to expand and diversify their investment portfolios in accordance with Islamic principles.

The Thomson Reuters Crescent Wealth Islamic Australia Index, covering 143 equities with combined market capitalisation of \$160 billion, is the first benchmark index to screen ASX-listed companies for compliance with Islamic investment principles using Thomson Reuters unique research-based approach.

The Shariah screening filters used by the index exclude institutions from conventional financial sector companies with high levels of debt or leverage such as property trusts and other stocks that conflict with Islamic finance principles. The screening therefore produces a dynamic bias towards resources and energy firms, including

blue chip companies such as BHP Billiton and Rio Tinto.

The creation of the index is a key step toward positioning Australia as an attractive destination for global Islamic investment funds and family offices. It is estimated Islamic banking assets globally now exceed US\$1 trillion and could reach US\$4 trillion by 2020, and that there is US\$50 billion in managed funds investing in equities according to Islamic principles.<sup>1</sup>

Rushdi Siddiqui, global head of Islamic finance and OIC countries at Thomson Reuters, said: "Australian markets are stable and have attractive growth fundamentals that Islamic investors are looking for in today's challenging macro-environment. Using the well-documented and objective Shariah screening process, the new co-branded index will highlight these investment opportunities across our terminals by necessarily focusing on many highly-regarded compliant companies with low levels of balance-sheet debt. It is a powerful new tool for Islamic investors to geographically diversify their portfolios while increasing investment opportunities into an important G-20 country like Australia."

Talal Yassine, managing director of Crescent Wealth, said: "The new index is a natural fit for Crescent Wealth, as Australia's first purely Islamic-focused fund manager. There is a huge untapped potential to grow Islamic-compliant investment in Australia from investors around the world, in particular in Asia and the Middle East. This index gives these investors a local performance benchmark for the Australian market."

The Thomson Reuters Crescent Wealth index takes a powerful research-based approach to screening, which allows for a better understanding of companies than today's automated screening. The compliant companies are reviewed on a quarterly basis for continued compliance with Accounting and Auditing Organization for Islamic Financial Institutions (AAIOFI) standards.

The index uses the same free float, market capitalization weighting methodology as all other Thomson Reuters global equity indices and employs the Thomson Reuters proprietary liquidity filter. This ensures that all index constituents, including those in frontier markets, are liquid and therefore investable. **FS**

#### Note

1. *Ernst & Young Islamic Funds & Investment Report 2010 and Standard and Poor's Islamic Finance Outlook 2010*

#### About Crescent Wealth

Established in 2007, Crescent Wealth is the only Australian wealth manager with a specialist focus on Islamic investing. Crescent Wealth has been granted an Australian Financial Services Licence (AFSL 365260) by ASIC, and manages all aspects of its funds under this licence, including product development, registration, legal, accounting, auditing, marketing and distribution. Crescent officially launched the Crescent Australian Equity Fund (CAEF) in October 2011 as the first of four planned Islamic funds, the others being Crescent International Equity Fund, Crescent Diversified Property Fund and Crescent Islamic Cash Management Fund. These funds will be open to both private and institutional investors. Crescent's target market will comprise all Australians interested in avoiding investment in leverage, Muslim community organisations, high-net-worth individuals, professionals, and institutional investors in Australia and, eventually, overseas. Crescent Funds Management (Aust) Limited AFSL 365260 is the issuer of the Crescent Australian Equity Fund. For more information, visit [www.crescentwealth.com.au](http://www.crescentwealth.com.au).



#### The quote

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