

# Fundamental Energy Portfolio - a compelling investment proposition with a unique performance based fee structure

Submitted by: Fundamental Asset Management Ltd

Friday, 1 February 2008

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Fundamental Asset Management, a specialist investment house, has launched the Fundamental Energy Portfolio, a managed portfolio service investing in the shares of companies benefiting from the boom in energy support services.

Investment is predominantly in UK & US listed shares with notable exposure to oil equipment and services, industrial engineering and renewables.

Chris Boxall, Director, comments,

'Over the last few years we have been active investors in industrial engineering groups with a strong exposure to the oil & gas and mining sectors. We have also been keen investors in renewable energy, notably solar. We feel that the timing is right to launch a dedicated energy services portfolio applying our 'picks and shovels' approach.

In our opinion, the old adage that, if you want to make money in a gold rush the most reliable way is to sell picks and shovels has never been more appropriate than it is today; with the current rush being one to secure energy and power.'

The key attractions to the portfolio are as follows:-

- Companies supporting the oil and gas, mining and energy sector in general have never had it so good, with growing order books and excellent visibility of earnings.
- Support services have a key role in ensuring efficiency of energy supply and therefore specialist operators with a strong market position and unique technology are in high demand.
- A managed portfolio (as opposed to a fund) offers transparency of holdings and, where applicable, also means that investors gain the tax benefit of direct equity holding (E.g. Inheritance Tax mitigation in respect of AIM quoted companies).
- The Performance Based fee structure (no performance, no fee) aligns the interests of the investor and portfolio manager

Boxall adds,

"We are of the view that the Fundamental Energy Portfolio is an extremely compelling investment proposition in the current market. The performance only based fee structure is also unusual, if not unique, for a managed portfolio service and perfectly aligns the interests of the investor and Fundamental (<http://www.fundamentalasset.com/>), the portfolio manager."

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Notes to Editors:

Fundamental is a firm of investment managers focusing on the small and mid cap equity sector, including AIM.

Fundamental Asset Management Ltd is authorised and regulated by the Financial Services Authority