

Press Release – For immediate release

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UCITS hedge funds assets under management up 18.5% year to date – Alix Capital report reveals

- UCITS hedge fund AUM increased by 4.0% in Q3 contributing to a total increase of 18.5% from the beginning of the year
- Total assets managed by UCITS hedge funds is now EUR 134.15 billion
- The three largest single strategy hedge fund managers have all witnessed significant percentage increases in AUM in 2012: Standard Life Investments is up 43.6%, GAM +29.0% and M&G +63.9%
- 17 new single strategy funds were launched this quarter increasing the total to 791. These funds were evenly spread in terms of manager domicile across UK (33%), US (27%), France (20%) and Germany (20%)
- 46.1% of funds are domiciled in Luxembourg
- 33.7% of total AUM in UCITS hedge funds is invested in fixed income strategies

The latest quarterly research on the UCITS hedge funds industry published by Alix Capital, the Geneva-based provider of the UCITS Alternatives Index (UAI) family of indices, reveals that UCITS hedge funds continue to grow, with a 4.0% increase in AUM from the end of Q2, totaling an 18.5% increase since the beginning of the year. There were 17 new single strategy hedge funds launched in Q3 2012, taking the total year to date to 62.

Alix Capital has for the first time included UCITS hedge fund platforms in their analysis. Assets on platforms have increased by 14.3% since the beginning of the year taking the total AUM on platforms to EUR 9.3 billion, 7% of the UCITS hedge funds market. The largest UCITS hedge fund platform is DB Platinum with EUR 2.1 billion AUM. In comparison the total assets managed by single UCITS hedge funds increased by 18.5% year to date.

Louis Zanolin, CEO of Alix Capital, says: “We have added platforms to our quarterly research as it represents an important part of the UCITS hedge funds landscape and this is likely to continue growing as the market evolves. For non European hedge fund managers in particular, platforms provide a cost effective and “infrastructure light” method of tapping into the UCITS sector and reaching a new investor base.”

“Despite the current environment, AUM figures for the alternative UCITS industry continue to rise, with fixed income funds attracting the lion’s share. Inflows have also increased in the UCITS fund of funds market, perhaps signaling a change in attitude towards fund of funds.”

The report provides in-depth information on 791 single manager alternative UCITS funds and 80 alternative UCITS fund of funds and as well as the additional platform analysis covers strategy breakdown, fund and advisor location, liquidity, asset flows, assets under management (AUM) and performance for single strategy hedge funds and fund of hedge funds.

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Other key findings of the report are summarised below:

UCITS hedge funds platforms

- The strategies most represented among platform funds are Long/Short Equity (29.5%) followed by Macro (16.8%) and CTA (15.8%).
- Platforms are particularly important for US based managers as 33% of managers of platform based funds are US based. This compares to 3% for the broader universe.

Assets Under Management:

- Larger funds continue to attract the most assets. The 20 largest funds together account for EUR 68.4 billion or 51% of the total assets managed in UCITS hedge funds.
- All 10 largest UCITS hedge funds groups increased their AUM year to date, the biggest jump in inflows achieved by Standard Life - a 40% increase in AUM means they now manage more than EUR 15.6 billion.
- Inflows increased in the UCITS funds of hedge funds market by 11.6% year to date and by 7.4% in the last quarter.
- Credit Suisse (EUR 550 million AUM) is the largest manager of UCITS fund of hedge funds. It's AUM has increased by 56% from the beginning of the year.
- Fixed Income strategies proved the most popular in AUM terms increasing 24.1% year to date and 11.4% in Q3 alone.

Performance and strategies:

- The UCITS hedge funds market advanced by +1.31% during the third quarter.
- The UCITS funds of funds universe experienced positive returns for the quarter (1.06%). However despite this recent upturn fund of fund performance is still negative year to date.
- Emerging Markets and Long/Short Equity are the best performing strategies so far for this quarter - up +2.47 and +1.88 respectively - Volatility has been the worst performer, down -0.97%.

Liquidity/domiciles:

- 82.9% of single UCITS hedge funds offer daily liquidity, 16.4% weekly and 0.6% bi-monthly. In comparison 48.2% of UCITS fund of funds offer daily liquidity, 50.6% weekly and just 1.2% bi weekly.
- Luxemburg, France and Ireland continue to be the most popular domiciles for UCITS hedge funds with 45.7%, 18.5% and 17.4% market share respectively.

About the UCITS Alternative Indices

With 871 constituent funds as of September 2012 totaling EUR 134 billion assets under management, the UCITS Alternative Index (UAI) series are the industry's leading benchmarks for the UCITS hedge funds universe. The UAI family is currently composed of 25 different benchmarks tracking the returns of both global and strategy specific UCITS hedge funds. The performance of the various UCITS Alternative Indices can be viewed at www.ucits-alternative.com. Alix Capital is the exclusive index provider of UCITS Alternative Indices. UCITS Alternative Index is a registered trademark.

About Alix Capital

Alix Capital is a Geneva-based investment company specialising in alternative investments. Founded by a team of experienced alternative investment specialists, Alix Capital provides research and advisory services to the institutional investor community in the field of absolute return investing. The Company is responsible for the calculation, licensing, branding and marketing of the UCITS Alternative Indices. www.ucits-alternative.com.

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