

Press Release – For immediate release

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UCITS absolute return funds of funds outperform the broad market for the first time since 2008 - reveals Alix Capital.

The latest quarterly European research on the UCITS absolute return funds' industry published by Alix Capital, the Geneva-based provider of the UCITS Alternatives Index (UAI) family of indices, reveals that for the first time during the last 4 years UCITS funds of absolute return funds as measured by the UAI Funds of Funds Index outperform the broad market since the beginning of the year. The UAI Funds of Funds index is up 1.24% at the end of June 2013 compared to +0.94% for the UAI Global. The report also reveals that the outperformance is mostly explained by the overweight toward long/short equity funds. The total level of assets managed in UCITS funds of absolute return funds for the first time crosses the EUR 4 billion mark at the end of June 2013.

Other key findings:

- UCITS absolute return fund's assets under management increased by 5.60% during the second quarter of 2013 and by 17.85% since the beginning of the year reaching a new high of EUR 163 billion.
- Five out of eleven strategies display positive performance since the beginning of the year, Long/Short Equity being the best performer with +3.39%.
- The best performing UCITS absolute return funds since the beginning of the year are the ML Pegasus UCITS Fund, a long/short equity fund managed by Clareville Capital up 28.22%, followed by the Odey UK Absolute Return Fund, also a long/short equity fund managed by Odey Asset Management, up 23.92% and the ML DUNN World Monetary and Agriculture Fund, a CTA fund managed by US based manager Dunn Capital up 21.10% since the beginning of the year.
- The Plurima Unifortune Global Strategy Fund is the best performing fund of funds since the beginning of the year with a performance of 5.53% at the end of June while the Credit Suisse Prima Multi-Strategy is the largest one by assets with EUR 619 million.
- The Morgan Stanley Fundlogic and the Merrill Lynch Invest platforms are the largest fund platforms in term of number funds with 18 single UCITS absolute return funds while Deutsche Bank DB Platinum is the largest platform in term of assets with EUR 2.56 billion at the end of June 2013.

Louis Zanolin, CEO of Alix Capital, says: *"UCITS absolute return fund assets continue to grow during the second quarter of 2013. This is explained by several factors. The continuous shift from long only to absolute return fixed funds is probably the most important reason currently. Given the size of the long only fixed income market, one can expect this trend to continue if not to accelerate during the next quarters. Other key important drivers are linked to more secular trends such as the continuously increasing need for highly regulated and liquid products able to deliver consistent absolute returns.*

Louis Zanolin further adds: *We are seeing more and more US based investment managers launching UCITS funds. Fund platforms and their benefits in terms of easy market access are playing an essential role in this development. While they still only account for 5% of the total number of funds, US based managers represent 37% of all platform funds.”*

The report is the most comprehensive source of information on UCITS absolute return funds. It provides in-depth information on 793 single manager alternative UCITS funds and 71 absolute return UCITS fund of funds, as well as UCITS absolute return fund platforms analysis. It covers the strategy breakdown, fund and advisor location, liquidity, asset flows, assets under management (AUM) and performance for UCITS single strategy and fund of absolute return funds.

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About the UCITS Alternative Indices

With 864 constituent funds as of June 2013 totaling EUR 163 billion assets under management, the UCITS Alternative Index (UAI) series are the industry’s leading benchmarks for the UCITS absolute return funds universe. The UAI family is currently composed of 26 different benchmarks tracking the returns of both global and strategy specific UCITS absolute 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 regulated alternative investments. Founded by a team of experienced alternative investment specialists, Alix Capital provides research and advisory services in the field of absolute return investing. Alix Capital is the index provider to the UCITS Alternative Index family. www.ucits-alternative.com.

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