

## ASSETS IN ALTERNATIVE UCITS FUNDS EXCEED €100BN FOR FIRST TIME

### Q2 2013 Alceda Quarterly UCITS Review

- **Assets under management in Alternative UCITS strategies reaches €104.6 billion**
- **Alternative credit strategies continue to attract investor interest with €3.4 billion growth in AUM**
- **Managed Futures down 3.57% with a 14.3% reduction in overall AUM**
- **Daily dealing funds attract 83% of assets in UCITS vehicles**
- **The 49% of funds charging a management fee of 0.5-1%, account for 74% of overall assets**

**Luxembourg, 12 August 2013** – Following a strong start in Q1 2013, alternative UCITS funds have continued the positive trend in Q2 2013, with assets under management (“AUM”) growing by 8.3% from €96.6 billion in March 2013, to €104.6 billion at the end of Q2, breaking the €100 billion barrier for the first time. The Alceda Quarterly UCITS Review produced by Alceda reveals signs of a healthy sector.

Performance across the UCITS fund sector varied significantly, with investors focusing assets on large, blue chip funds. However, several funds launched in Q1 were able to grow their assets over the second quarter. With many investors looking to UCITS vehicles for improved liquidity, the report also reveals daily dealing funds have proved most popular with investors, attracting 83% of assets.

**Michael Sanders, Chairman of the Board, Alceda Fund Management S.A. said:** *“With continued uncertainty in global markets, investors are looking to Alternative UCITS for diversifying strategies, increased transparency, less volatility in weak markets and improved liquidity. As a result, we have seen the Alternative UCITS sector demonstrating strong growth and investor interest, with total assets under management surpassing €100 billion for the first time. As the sector continues to mature and funds continue to build on their track records, we believe that more investors will continue to enter this market.”*

Tracking the Absolute Hedge Global UCITS Index, the sector declined 0.53% in the second quarter, with losses concentrated in June, across a range of funds and strategies. The Market Neutral index performed the strongest with 1.45% growth over the quarter. The Credit Index continued to deliver positive returns, with growth in assets of €3.4 billion to €26.6 billion at the end of Q2 and delivered 0.13% returns in the quarter. As the best performing strategy index in Q1, Equity Long Short continued its positive run, growing AUM by 12% and registering 0.38% returns in Q2.

Managed Futures, despite registering the first positive quarter in over two years in Q1, had another challenging quarter in Q2. The strategy index was down 3.79% over the quarter with a

14.3% reduction in AUM, including one fund closure. The UCITS vehicle was closed due to concerns regarding commodity exposure and the use of index swaps following last year's ESMA guidelines.

In an analysis of UCITS fee structures, the report found that 49% of funds in the sector charge a management fee of between 0.50-1.00% for institutional share classes. However, these funds control 74% of the overall assets in the sector, showing investors moving assets into low-fee products. Similarly, investors are showing more interest in funds without performance fees. While 62% of alternative UCITS funds have adopted the 20% performance fee model, these funds have only attracted 31% of overall assets.

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**About Alceda**

Alceda Fund Management is a leading independent structuring specialist in Europe dedicated to the structuring of traditional and alternative investments. Alceda provides asset and fund managers, banks and family offices with tailored investment solutions and global access to investors and distribution partners. In addition, Alceda offers institutional investors the choice of a range of innovative investment strategies from highly specialised fund boutiques worldwide.

Established in 2007, Alceda is represented in 4 countries, with offices in Luxembourg, Hamburg, London and Hong Kong. With over 60 employees worldwide, Alceda has over \$7bn in Assets under Administration across a variety of products.

The Alceda UCITS Platform (AUP) is the largest independent UCITS platform in Europe. The AUP enables fund and asset managers to structure their investment strategies in a UCITS format, which is a stamp of EU-wide regulatory approval and qualitative hallmark for transparency and risk management. As an independent label provider with an open architecture platform, fund managers are able to choose their preferred counterparties for trades, custody services, audit and fund accounting. The AUP also offers managers access to an established network of distribution partners and marketing and communication services. For more information please see [www.alceda.lu](http://www.alceda.lu)