

ALTERNATIVE UCITS REBOUND IN Q3 2013 DRIVEN BY EQUITY LONG SHORT STRATEGIES

Q3 2013 Alceda Quarterly UCITS Review

- **AH Alternative UCITS Index advanced 1.09% in Q3 2013 with AUM growth of 2.6%**
- **Equity Long Short Index best performing strategy in Q3 2013 and year to date**
- **FX and Managed Futures strategies declined 3.29% and 2.42% in the quarter**
- **UK Equity Long Short strategies have the second highest average fund size of all regions at €142m**

Luxembourg, 30 October 2013 – With equity markets continuing their rally into Q3 2013, the demand for alternative UCITS strategies has continued, according to the Alceda Quarterly UCITS Review.

Tracking the Absolute Hedge Alternative UCITS Index (“the Index”), which encompasses 454 funds, assets under management (“AUM”) reached a total of €154.4bn, an increase in AUM of 2.6% on the previous quarter. Following a challenging Q2 where the sector declined 0.53%, alternative UCITS strategies rebounded in Q3 2013 advancing 1.09% and an overall 3.12% year to date (“YTD”).

With the growth in AUM, the sector also saw an increasing range of funds made available with the launch of seven new funds in the quarter. While the new fund launches remain small, the UCITS review reveals that new funds are increasingly gaining traction within their first year, showing more demand and interest in the alternative UCITS space.

Stronger equity markets allowed the AH Equity Long Short Index to be the best performing strategy in the quarter, growing 2.98%, also making it the top performing strategy year to date (+7.68%). Similarly, Equity Long Short strategies achieved returns of 6.19% in 2012. Three of the new funds in the quarter were in the Equity Long Short Index.

European focused strategies dominate the Equity Long Short space both in terms of number of funds (60) and assets under management (c.€6.9bn). In contrast, global strategies have the highest average fund size at €144m, following closely by UK strategies at €142. European strategies, with an average fund size of €132m, compares well to Asia and US funds who have an average of €109m and €102m respectively.

In the stronger equity driven environment and political uncertainty in key markets, Macro and Trend strategies continue to face challenges in the Q3 2013. FX and Managed Futures strategies were hard hit and declined 3.29% and 2.42% in the quarter respectively, making Managed Futures the worst performing strategy year to date. Both strategies were also hit by declining assets with a reduction in AUM of 10% for FX strategies and 3.1% for Managed Futures strategies.

Michael Sanders, Chairman of the Board, Alceda Fund Management S.A. said: *“Investors showing a growing risk appetite coupled with more confidence in equity markets has driven the demand in and performance of equity related strategies. With Equity Long Short as the strongest performing category in the quarter and over the year, it appears investors are looking for higher returns and diversification through alpha. With the strong performance of equity related strategies in 2012 and in the year to date,*

it is unsurprising we are seeing strong investor demand in the strategy and we would expect this to continue in Q4 2013.

“With new fund launches, continued AUM growth and a rebound in sector performance over the quarter, Alternative UCITS continue to deliver and meet investor needs for portfolio diversification, and we expect to see more investors continuing to enter the market.”

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Alceda UCITS Review Methodology & Universe

In order to reflect the increasingly global nature of alternative UCITS, the database methodology has been expanded to include alternative UCITS funds regardless of geographic registration. The database was previously focused on alternative strategies with a UK registration. Previous quarters have been backdated. The new and revised universe now encompasses 454 funds with assets under management of €154.5m. Funds are included in the database and analysis based on the following criteria: uses a recognised hedge fund or other sophisticated investment strategy, has a non-benchmarked approach to investing, has a sister offshore fund or charges a performance fee.

About Alceda

Alceda 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. 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