

managing investment fund innovation

New research from **Strategic Insight**, an Asset International company

- The accelerating growth of alternative, absolute return, and multi-asset investing
- Analysis of over 1000 alternative UCITS funds available around the world
- Which funds are getting money from advisors and investors, which are not, and why
- Hedge fund strategies through Newcits
- Distribution, communication, and marketing best practices

This 60-page report features:

- **Winners, losers, and lessons:** case studies of the top alternative funds in a regulated format, and the distribution best practices that make the difference in sales.
- **New fund innovations:** identifying the most promising alternative products in the marketplace that fund selectors, advisors, and investors are buying.
- **Perspective and data:** analysis of over 100 alternative UCITS funds worldwide, with a realistic assessment of the growth and risks of absolute return investments, and prospects for asset managers, hedge funds, and distribution organizations.
- **Dedicated website:** providing clients of the report with access to monthly updates to the in-depth study on www.strategicinsightglobal.com/innovation/blog

For more information or to order:

Lise Carpenter, Global Business Development, lise@sionline.com

+1-212-217-6862

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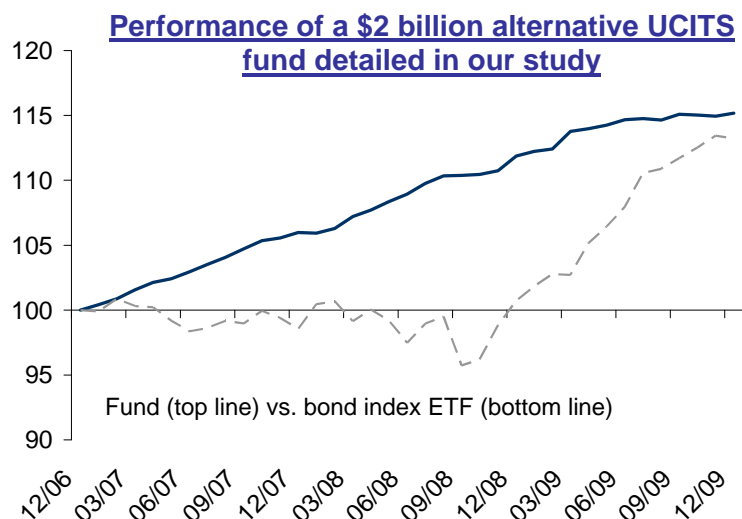
805 Third Avenue, New York, NY 10022
Tel: +1-212-944-4455
global@sionline.com
www.sionline.com
www.StrategicInsightGlobal.com

Fund products unimaginable a decade ago are today being sold to retail investors and a wider base of institutions, insurance companies, and wealthy individuals.

New investment possibilities are expanding tremendously, partly driven by the convergence of alternative and traditional funds.

But managing innovation, the risks they bring, and an ever more complex product and distribution landscape has become a massive challenge.

Distributors are looking for products with lower volatility, low correlations, and more consistent returns, but not everyone is able to deliver. Who is successful and why?



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“With so much change, surprises abound. Few industry executives expected that a managed futures asset allocation strategy would grow into the largest hedge fund in the Nordic region and one of the biggest retail alternatives portfolios in Europe today.”

Presentations and Evidence

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“Innovation redefines what is possible in the world of fund management, but not all ideas are working. Some managers are spending huge amounts of money developing noteworthy products and promoting them, but go on to fail because of mistakes ranging from inadequate competitor analysis to distribution channel misalignments, lack of customer intimacy, mispricing, product disappointments, and expectation mismanagement.”

Analysis, insight, and perspective

from industry leaders, regulators, distributors, and managers
combined with facts and data

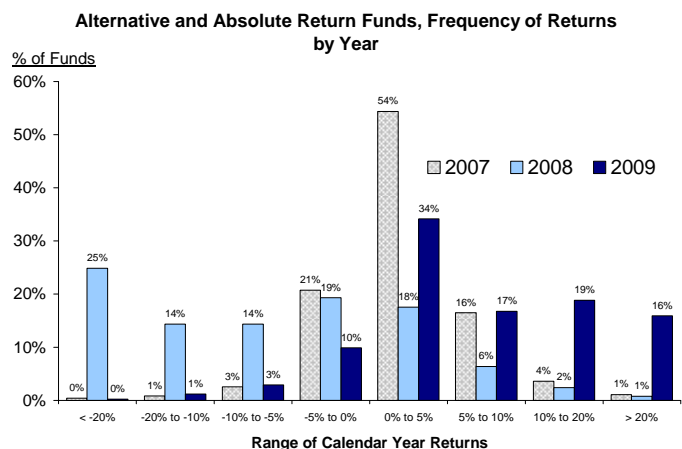
Interviews with over 100 distributors and fund managers in Europe and worldwide conducted in early 2010

Facts-based commentary, conclusions, and recommendations drawing on Strategic Insight's Simfund global databases of over 60,000 funds around the world

Analysis of monthly net flows, assets, performance, and other information integrating Strategic Insight research and data from multiple industry expert sources

Strategic Insight's consulting and perspectives on innovation, fund products, and distribution going back 25 years, and currently relied upon by 250 companies worldwide

“... 2009 was a vintage year. In 2008, 72% of absolute return funds suffered a negative return. In other words, almost three-quarters of absolute return funds provided absolutely no return – and worse. Traditional long-only and index-constrained funds also fared poorly during the financial crisis, but they never promised absolute returns...”



Source: Strategic Insight Simfund, Morningstar Inc, Lipper Inc; Total Returns are for portfolios (primary class) in local currency terms

About the Authors

Jag Alexeyev

Head of Global Research
Senior Managing Director



Jag pioneered Strategic Insight's global research and consulting service and now directs the firm's international activities. The architect behind the global Simfund intelligence platform, he oversees the firm's international research initiatives, creating new technologies and analytical solutions to support industry growth and adapt to change. Leading a talented multinational team of professionals, he established SI as a key partner for fund executives in building global businesses. Jag authored several books on fund management, and advises industry leaders on strategy, product, and fund analysis.

Jag@sionline.com
+1 212 944 4456

Daniel Enskat

Head of Global Consulting
Senior Managing Director



For almost a decade, Daniel has led the development of Strategic Insight's Global fund research and consulting effort, and is widely sought after for presentations, discussions, and his perspective on the global asset management industry by associations, academia, regulators, the media and management boards of the firm's over 250 clients worldwide. He has written extensively on the fund industry, including various books on Asia, the Middle East and Global Fund Distribution. He regularly conducts product and distribution master classes for CEOs and heads of asset management worldwide.

Daniel@sionline.com
+1 212 217 6885

For ongoing commentary, visit
www.strategicinsightglobal.com/innovation/blog

To order the Managing Investment Fund Innovation report, contact:
Lise Carpenter, +1 212 217 6862, lise@sionline.com