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***HEDGE AND ALTERNATIVE INVESTMENTS SURPASS \$160
BILLION WITHIN EUROPEAN UCITS FUNDS***

New York, NY – December 1, 2010 – Hedge fund and alternative investment strategies within European Ucits funds now exceed \$160 billion, according to global fund research firm Strategic Insight. Net inflows to such products reached \$37 billion during 2010 through October, a 70% increase over the prior year. This growing segment of the funds industry is examined in detail in Strategic Insight’s new study, **Alternative and Hedge Fund Ucits in the Next Decade**, commissioned by the Association of Luxembourg Funds Industry (Alfi) with the support of LuxembourgForFinance.

Alternative Ucits funds account for 15% of total net inflows into all long-term Ucits funds. Most of these products represent hedge-style strategies adapted to the growing need for absolute return solutions. New alternative Ucits launched this year have already captured \$8 billion.

The study, which considers the changing world for investors as alternative and traditional funds converge, was released at Alfi’s conference on European alternative investment funds in Luxembourg last week. Luxembourg domiciled products account for almost half (49%) of total alternative UCITS assets and flows this year, and 45% of the number of funds.

Jag Alexeyev, senior managing director of Strategic Insight Global, noted that “managers anticipate stronger commitments in 2011 as fund selectors and investors gain comfort with hedge style Ucits, and sustained expansion through the decade.”

Camille Thommes, director general of Alfi, said “the study has ambitious predictions for the growth of the alternative UCITS industry. Indeed, these predictions reflect the interest we are seeing from sophisticated investors for adequately regulated and supervised products, as well as hedge fund managers who were looking to start UCITS funds as a reaction to the uncertainties surrounding the draft AIFM Directive.”

In addition to analysis of funds using Strategic Insight’s Simfund GL databases, the study provides perspectives from interviews with industry executives conducted by Sophie van Straelen, founder of the European hedge fund consultancy Asterias. The study also includes findings from a survey conducted by Global Custodian and Strategic Insight that reached mutual fund and hedge fund managers, fund selectors, distributors, regulators, and alternative industry service providers worldwide.

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Strategic Insight

is a global research firm providing clients in the fund management industry with data and consulting services for product, distribution and business strategy decisions. Strategic Insight assists over 250 firms worldwide, and its Simfund databases and analytical platforms cover more than 70,000 funds around the world. For more information, visit www.Sionline.com. The

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The Association of the Luxembourg Fund Industry (ALFI)

is the representative body of the Luxembourg investment fund community. Created in 1988, the Association today represents over one thousand Luxembourg domiciled investment funds, asset management companies and a wide range of service providers such as custodian banks, fund administrators, transfer agents, distributors, legal firms, consultants, tax experts, auditors and accountants, specialist IT providers and communication companies. The Luxembourg Fund industry is the largest fund domicile in Europe and a worldwide leader in crossborder distribution of funds. Luxembourg-domiciled investment structures are distributed on a global basis in more than 50 countries with a particular focus on Europe, Asia, Latin America and the Middle East. For further information, do not hesitate to consult our website at www.alfi.lu

Asterias

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