

UCITS Alternative Index – Performance December 2014

Geneva, January 7, 2015

UAI Indices

UCITS alternative funds end the year on a mixed note. After good results in November (+0.89%), most strategies returned weak performances in December with -0.08% on average. As a result the UAI Global concludes the year with a performance of 1.41%. The best annual results are recorded by the CTA funds (up 10.15%) which benefited from robust trends in the currency, equity and energy markets. The next best performing strategies are Multi-Strategy and Macro with progressions of respectively 1.79% and 1.71%. They are followed by Long/Short Equity with a modest performance of 1.37% despite a favorable equity market environment. On the negative side, commodity funds return the worst results for the second consecutive year finishing with -5.45% after having lost -1.98% in 2013. The UAI Blue Chip advances by 1.10% in December and closes the year on a progression of 2.43%. The equally weighted index tracking the performance of the 50 largest funds outperformed both the broad and the fund of funds market.

UAIX Indices

Half of all UAIX strategy indices advance in December. With a monthly gain of 6.68% the UAIX CTA is by far the best performing index for the period. It is followed by the UAIX Equity Market Neutral and the UAIX Long/short Equity with progressions of respectively 2.02% and 0.66%. On the negative side the UAIX Commodities and the UAIX Macro display the worst monthly results with -1.78% and -1.71%. Thanks to its strong results in November and December, the UAIX CTA finishes the year up 19.74%. The strong movements in the currency markets which occurred during August and November and benefited CTA managers also profited to the FX managers contributing to the UAIX FX and helped it finish the year with a progression of 4.78%. The next best performing UAIX indices are the UAIX Equity Market Neutral and the UAIX Long/Short Equity with respectively 4.65% and 3.42%. On the negative side the worst results are recorded by the UAIX Commodities with a result of -7.19% for the year.

Assets under management

In 2014 UCITS absolute return fund assets record their strongest annual progression ever. With inflows totaling 70 billion EUR during the year – a progression of 37% - more than 260 billion EUR are now managed by UCITS absolute return funds. While the progression was steady across the year, not all strategies attracted assets. The ones that recorded the largest inflows are Fixed Income, Long/Short Equity and Multi-Strategy with progressions totaling respectively 26, 16 and 12 billion EUR. If one adds the inflows of Equity Market Neutral to the ones of Long/Short Equity the combined inflows in the two equity focused strategies reaches 23 billion EUR. With a progression of about 140% in 2014 Event-Driven funds records the largest relative progression. Without surprise strategies with negative performances all lost assets in 2014. As mentioned in our previous letters the assets progression is not evenly distributed. A few large funds account for most of the assets growth while about 40% of all funds have less than 50m EUR under management. We expect the growth of assets to continue in 2015.

UAI Benchmarks Indices

The UAI Benchmarks Indices track the performance of all UCITS absolute return funds and funds of absolute return funds both on a broad basis and by strategy. Constituent funds are equally weighted and the Index performances are published on a monthly basis. There are currently 13 different Benchmark Indices.

UAI Blue Chip Indices

The UAI Blue Chip Indices track the performance of the most representative absolute return funds currently open for investment. The construction of the Blue Chip Indices is overseen by a Scientific Committee. The UAI Blue Chip Index performance is published every Wednesday. The UAI Blue Chip is a rule-based investable index of UCITS absolute return funds.

UAIX Indices

The UAIX Indices are single strategy indices that aim to track and outperform the performance of their respective UAI benchmarks. UAIX Indices are made of between 6 to 15 constituent funds and built using a systematic quantitative model. The UAIX Indices performance is published every Wednesday. The UAIX are model-based investable indices of UCITS absolute return funds.

UCITS Alternative Index Benchmarks

Index Performance Summary - [Show Tickers](#) - [Download Performance](#)

	Dec 14	Dec NAV	Nov 14	YTD	2013	Ann rtn
<u>UCITS Alternative Index Global</u>	-0.08%	117.97	0.89%	1.41%	4.12%	0.92%
<u>UCITS Alternative Index Funds of Funds</u>	0.06%	87.15	1.17%	0.30%	4.27%	-1.94%
<u>UCITS Alternative Index Commodities</u>	-1.61%	86.95	-1.11%	-5.45%	-3.67%	-1.98%
<u>UCITS Alternative Index CTA</u>	1.39%	116.35	4.07%	10.15%	1.41%	2.18%
<u>UCITS Alternative Index Emerging Markets</u>	-1.52%	108.28	-0.20%	-0.58%	1.35%	1.14%
<u>UCITS Alternative Index Equity Market Neutral</u>	0.24%	97.98	0.44%	0.61%	2.71%	-0.29%
<u>UCITS Alternative Index Event-Driven</u>	0.08%	102.36	1.01%	-1.65%	4.18%	0.33%
<u>UCITS Alternative Index Fixed Income</u>	-0.38%	115.73	0.08%	0.99%	1.90%	2.11%
<u>UCITS Alternative Index FX</u>	0.08%	93.00	-0.19%	0.99%	-3.58%	-1.03%
<u>UCITS Alternative Index Long/Short Equity</u>	-0.05%	111.79	1.03%	1.37%	11.07%	1.60%
<u>UCITS Alternative Index Macro</u>	-0.18%	106.12	1.11%	1.71%	2.27%	0.85%
<u>UCITS Alternative Index Multi-Strategy</u>	-0.13%	112.84	1.06%	1.79%	5.00%	1.74%
<u>UCITS Alternative Index Volatility</u>	0.49%	116.18	-0.01%	-1.06%	-4.13%	2.17%

UCITS Alternative Index Blue Chip

Index Performance Summary - [Download Performance](#)

Last Update: 31.12.2014

	MTD	NAV	Nov 14	YTD	2013
<u>UCITS Alternative Index Blue Chip</u>	1.10%	117.38	1.39%	2.43%	4.18%

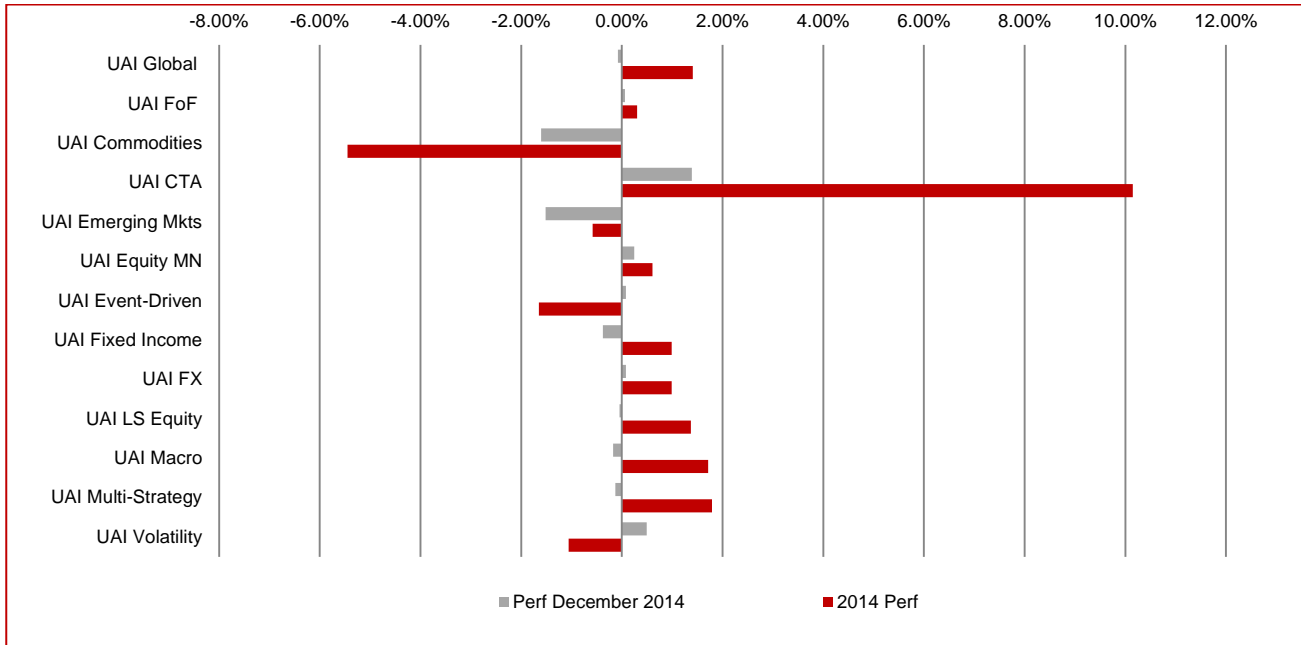
UAIX

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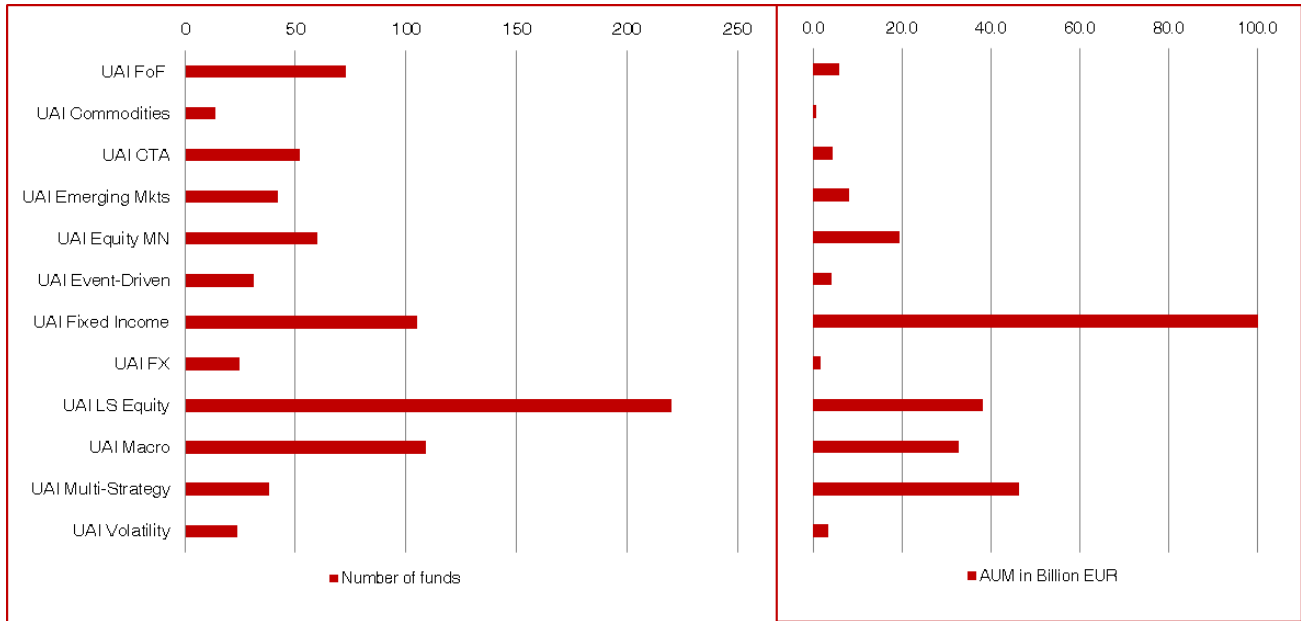
Last Update: 31.12.2014

	MTD	NAV	Nov 14	YTD	2013
<u>UAIX Commodities</u>	-1.78%	103.96	-0.69%	-7.19%	-2.92%
<u>UAIX CTA</u>	6.68%	148.18	7.20%	19.74%	6.63%
<u>UAIX Emerging Markets</u>	-1.49%	115.74	0.90%	-1.78%	1.63%
<u>UAIX Equity Market Neutral</u>	2.02%	118.13	1.22%	4.65%	2.43%
<u>UAIX Event-Driven</u>	0.46%	115.12	4.07%	1.40%	8.65%
<u>UAIX Fixed Income - Developed Markets</u>	-0.45%	114.72	0.14%	-0.87%	1.01%
<u>UAIX Fixed Income - Global</u>	-0.42%	131.15	0.01%	-0.17%	1.62%
<u>UAIX FX</u>	-0.56%	103.97	2.37%	4.78%	-2.04%
<u>UAIX Long/Short Equity</u>	0.66%	141.36	2.51%	3.42%	13.85%
<u>UAIX Macro</u>	-1.71%	111.71	1.34%	-1.42%	0.12%
<u>UAIX Multi-Strategy</u>	0.64%	120.24	1.07%	0.66%	5.36%
<u>UAIX Volatility</u>	0.08%	122.87	1.39%	-0.87%	-4.34%

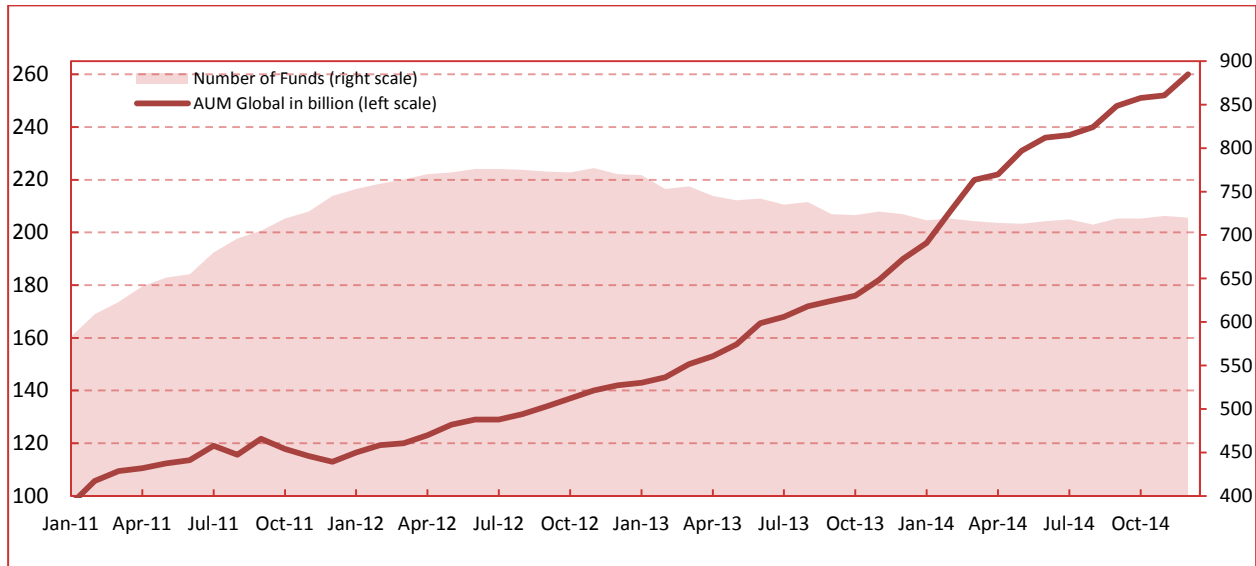
Performance Attribution as of December 2014



AUM and Number of Funds as of December 2014



UCITS single absolute return funds AUM and number progression since January 2011



About UCITS Alternative Index

The UCITS Alternative Index series is the industry's leading benchmark for the UCITS absolute return funds universe. The series of indices track the performance of both global and strategy specific UCITS absolute return funds. Index rules and statistics are accessible on the UCITS Alternative Index website www.ucits-alternative.com. UCITS Alternative Index is a registered trademark. Alix Capital is the exclusive Index Provider to the UCITS Alternative Index.

For any further information please contact:

Louis Zanolin

Direct Phone: 41 79 447 08 62

Email : zanolin@alixcapital.com

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