



Media Release

Australian Hedge Fund Managers Poised to Deliver Value

Sydney, 18 February 2008 –After 5 years of strong returns, the Australian equity market posted one of its steepest declines in January 2008. Returns from the Australian alternative investment industry, notably, turned in some positive results in the roller coaster ride.

The start to 2008 has seen global financial markets struggle to counter the bear influences across the board. When measured against other market performances, Australian hedge funds have weathered the conditions better than most.

The January monthly results for Australian Long Short equity managers ranged between -10% and +2%*. (*Source: Dr. Jon Glass, Director, FineAnswers Pty Ltd)

Kim Ivey, Chairman of the Alternative Investment Management Association Australia (AIMA), says this is the time for Australian hedge fund managers to show their mettle:

“We haven’t had a sustained falling equity market since 2002. Good long/short equity managers will have an opportunity to deliver positive returns in fluctuating markets and demonstrate the positive influence of hedge funds on diversified portfolios. If markets continue to be weak, investors should see significant disparity in returns from successful hedge fund managers and market indices over the March quarter,” he said.

Kim Ivey also suggests that alternative investment strategies could offer a welcome haven for Australian investors who have been burned in the downturn.

“Many mainstream asset investors have suffered big losses in the global market downturn. I would encourage them to investigate the benefits of a well diversified portfolio of alternative investment strategies and evaluate the performance over a 12-month period.

He continued, “Even though January was a tough month globally, some hedge fund strategies, such as Global Macro, still managed positive returns.”

With the recent release of AIMA Australia’s Risk Disclosure Guidelines, investors can continue to feel confident of AIMA members’ commitment to best practice, clear



communication, transparency and professionalism in the alternative investment management industry.

With over 63 billion dollars in assets invested in hedge funds, the Australian alternative investment industry is one of the largest in the Asian region.

According to AIMA's Chairman Kim Ivey, "Astute investors know that these fluctuations are precisely the conditions where good absolute return managers can show their worth."

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About AIMA Australia

AIMA Australia is the Australian chapter of the Alternative Investment Management Association, the leading global hedge fund and alternative investment industry association. Founded in 1990, AIMA is a not-for-profit global trade association with corporate membership in 46 countries. AIMA role is to represent members from the hedge funds, managed futures and managed currency funds industries. In Australia AIMA has 70 members and globally over 1200 corporate members (servicing in excess of 3000 individuals). AIMA is responsible for; developing global tools for the benefit of members, institutional investors and regulators; increasing investor education; promoting best practice; and liaising with regulators and other organisations to ensure the responsible use of alternative investments. AIMA's membership includes fund of funds managers, institutional investors, hedge fund managers, prime brokers, exchanges, fund administrators, auditors, lawyers and other specialist service providers.

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