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MEDIA STATEMENT



ASIC has no systemic reason to maintain the short selling ban beyond March 6th

Alternative Investment Management Association (AIMA) Australia, the representative body of the hedge fund industry in Australia, claims that ASIC no longer has a systemic reason for maintaining the ban on listed financial stocks.

AIMA Australia chairman Kim Ivey says that Australian financial institutions have raised significant amounts of capital since the ban began six months ago.

“These companies are now in far better financial shape than their overseas counterparts. They have rebuilt their balance sheets with significant amounts of new debt and equity from Australian investors.

“In the absence of more bad news from overseas, investors shouldn’t naturally believe that Australian financial stock prices will fall precipitously once the shorting ban is lifted.

“Local banks are picking up market share because overseas banks have left Australia. Borrowers will have also noticed that lending margins have widened despite a government guarantee on deposits. Some groups protected by the ban are even raising capital to fund new expansion strategies.”

- Ends -

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The Alternative Investment Management Association Limited was established in 1990 as a direct result of the growing importance of alternative investments in global investment management. It is a not-for-profit educational and research body that represents practitioners in hedge funds, futures funds and currency fund management – whether managing money or providing a service, such as prime brokerage, administration, legal or accounting advice. AIMA’s global membership is in excess of 1,000 members in 46 countries. AIMA Australia has over 60 members, including fund of fund managers, institutional investors, hedge fund managers, prime brokers, lawyers, auditors and other service providers who serve the hedge fund industry.