

PRESS RELEASE

Collins Stewart Fund Management launches first Fund of Absolute Return Funds

London, Guernsey, Isle of Man, Jersey and Geneva – 27th October 2009: Collins Stewart Fund Management (“CSFM”) today launches the Collins Stewart Alternative Strategies Fund. With a target return objective of consistent absolute returns of approximately 6-10% per annum, the fund has daily dealing with no lock up periods or redemption penalties. It is a UCITS compliant fund of UCITS III funds which will be Dublin domiciled from within the existing fund platform.

Managed by the same team who run the existing fund of hedge funds product, CSFM sees the key reasons for investing in the sector via a regulated fund of funds, drawing on existing hedge fund experience, to include:

- **Daily liquidity:** until now accessing this asset class via a fund of funds has only been possible via offshore structures with limited liquidity terms.
- **Huge disparity of performance amongst individual funds:** using the IMA Absolute Return sector as a proxy, the difference between the best performing and the worst performing fund, year to date, is a massive 59.7%.
- **A muddled sector:** a multitude of fund strategies with no fewer than nine in the IMA Absolute Return sector. Appropriate fund selection is key to building a balanced portfolio.
- **Capacity issues:** familiarity with the hedge fund world provides access to information about new funds and capacity issues in advance of the wider market.
- **Due diligence :** long-term understanding of operational issues and sophisticated tools and processes used by individual funds is best delivered by hedge fund specialists.

Mike Brown, Head of Sales at Collins Stewart Fund Management, added:

“We are excited to be the first to launch a fund of this kind, as we expect the prospect of being able to access funds with hedge fund-like objectives in a regulated fund with daily dealing as being hugely attractive to intermediaries and their clients.

“Our flagship fund of hedge funds is one of the most successful FoHFs on the market, its success driven by our long term experience in alternative investments. Undoubtedly there will be huge demand from investors for absolute return strategies and we believe that thanks to the complexity of the sector, they will require the knowledge and specialisation of a fund of hedge fund manager to help navigate around the pitfalls that could exist.”

Commenting on the launch, Richard Hodgetts, Manager of the Collins Stewart Alternative Strategies Fund, said:

“Dozens of hedge funds are launching replica funds to conform with UCITS III regulation and this is making it increasingly difficult for investors and their advisors to choose the most suitable funds. Understanding the sophisticated tool kit used by these replica hedge funds is of paramount importance to successful fund selection.”

– Ends –

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Notes to Editors

Collins Stewart Alternative Strategies Fund – key features

- To be managed by Richard Hodgetts, lead manager of the Collins Stewart Absolute Return Plus Fund
- A UCITS III fund of absolute return funds
- Daily Liquidity
- Investing in UCITS III funds
- Target return objective of consistent absolute returns (seeking approx. 6-10% per annum)
- Target volatility of approx. 4%
- 12-15 holdings
- Bottom-up fund picking with diversified range of underlying managers
- Retail Annual Management Fee: 1.25%
- Institutional Annual Management Fee: 0.75%
- 10% performance fee with hurdle rate (3%)
- Launch date of 27th October
- Minimum investment is £5,000

Collins Stewart Fund Management (“CSFM”) is a multi-investment boutique focused on delivering investors high quality investment returns in selected asset classes. The group manages over £302m¹ across the equity, fixed interest, multi-asset and fund of hedge fund asset classes. More information on CSFM is available at www.collinsstewartfunds.com

Collins Stewart plc is a leading independent financial advisory group listed on the London Stock Exchange. Collins Stewart plc employs 700 staff in 10 international locations and is organised around four operational divisions: Advisory, Corporate Broking, Securities and Wealth Management, all served by its unique research tool, Quest™. Collins Stewart Wealth Management (“CSWM”) is a leading portfolio manager and stockbroker with an absolute focus on preserving and growing wealth. CSWM manages and administers £5bn¹ of assets through its offices in London, Guernsey, Jersey, Isle of Man and Geneva.

¹ as at 30/06/09