

## Nedgroup Investments lands mandate for Premium Portfolio Fund

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***Fund of hedge funds manager Nedgroup Investments has won a USD9m mandate from Dutch wealth management firm Attica Vermogensbeheer for its Premium Portfolio Fund, which has now raised around USD35m from institutional investors since its launch in February.***

The fund has returned 3.04 per cent since launch, compared with a fall in fund of hedge funds indices over the first half of 2008. The Barclayhedge and EurekaHedge indices estimate that the average fund of funds is down between 2.2 and 2.6 per cent so far this year.

The Premium Portfolio Fund aims to provide investors who already have significant market exposure to equities with access to a selection of underlying funds that are authentically uncorrelated to equity market risk. It targets a return of between 8 and 12 per cent above Libor net of fees per annum over the medium to long term, with a volatility target of less than 3 per cent.

The fund focuses on longer liquidity niche strategies that have already been proven within Nedgroup Investments' flagship Target Return Fund, in which these strategies make up 20 per cent of all holdings. Since its launch in July 2000 the Target Return Fund has outperformed its benchmark, USD Libor, by 3 per cent with no down years, against a target of 3 to five per cent outperformance.

The Premium Portfolio Fund invests in asset-backed lending within the US, Europe and Asia, specialised distressed debt, structured finance, multistrategy, insurance and other niche strategies.

'A key difference between our Premium Portfolio Fund and the other funds available on the market is our facility to hedge generic market risk through derivatives overlay,' says Nedgroup Investments chief investment officer Larry Jones.

'This means that our returns do not rely on market conditions, and provides investors with the diversification benefit such an approach brings. We felt that there was a space in the market for an innovation like this, and the fund's returns have so far vindicated this rationale.'

The firm's managing director Andrew Lodge adds: 'We are delighted that Attica has shown such faith in our Premium Portfolio Fund. When launching the fund, our aim was to provide returns that were genuinely uncorrelated with market movements. Attica's investment is a real endorsement of that aim and a very positive sign for the

future of the fund.'

The fund targets institutional investors including pension funds, family offices and banks as well as high net worth individuals in Europe, the Middle East, Africa and Asia. Nedgroup Investments, which has offices in London and the Isle of Man, currently has USD940m in assets under management. Its funds are domiciled in the Isle of Man and both Premium Portfolio and Target Return are listed on the Irish Stock Exchange.

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