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### **Guernsey fund sector confident despite drop in level of funds**

Investment Fund specialist Andrew Boyce, partner at Carey Olsen, remains cautiously optimistic in spite of the latest figures from the GFSC, which show a £1billion decrease in local funds under management over the fourth quarter of 2008.

Boyce said: “Guernsey is not immune to negative global trends and market turmoil, so a decrease in the amount of money invested in funds established in Guernsey is not surprising. Some of this decrease is attributable to an overall decrease in the value of assets held by funds, but with over £200billion still managed and administered in the island there is ample evidence that fund structures are still very relevant to the global investor community.

“In general terms Guernsey, with its solid reputation, the varied types of vehicles available, the quality of the local service providers and the flexibility of the regulatory regime (including the new fund rules), is in a prime position to attract the next wave of fund structures that will inevitably be created as the market turmoil stabilizes and an altered form of “normality” returns.

“At Carey Olsen, almost all of the inquiries we are currently receiving focus on closed ended vehicles with many related to possible secondaries funds (i.e. funds established to the interests of defaulting investors in other funds), some debt funds and some distressed asset funds (for property and alternatives).

“This trend is illustrated in the GFSC’s figures; the closed-end fund sector has seen growth, with increases of £5.6 billion (6.5%) over the quarter and £15.1 billion (19.8%) over the year since 31 December 2007, to reach £91.5 billion, a new record.

“Indeed many of the inquiries we have seen relate to closed ended fund structures that are still aiming to raise fairly substantial funds, in excess of £500million.”

Issued by Chris Chilton, Orchard PR, Tel. 01481 240600

NOTES TO EDITORS:

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