



4 - 5 October 2011 | Fairmont Le Montreux Palace | Montreux | Switzerland

The Existence of Alpha Questioned at the AIE Summit



Brittany Ryan, Executive Producer of the **marcusevans Alternative Investments Europe Summit 2011** shares insights from the annual go-to meeting for Europe's most sophisticated institutional investors.

FOR IMMEDIATE RELEASE

Commencing amid frenzied reports announcing banking powerhouse Dexia as the first victim in what is proving to be an epic Greek tragedy, there was no lack of food for thought at the annual **marcusevans Alternative Investments Europe Summit**. Questions surrounding those trusty sovereign bonds that protected so many portfolios from the crisis of 2008's ripple effects were exacerbated by Eurozone uncertainty. To say that there was increased interest in **alternative investment approaches** would be an understatement.

But where and how are still questions to be debated among Europe's institutional investors and with risk appetites ranging from nauseas to peckish at best, due diligence will be a key priority regardless of promised returns. A candid discussion on manager selection led to a couple of key conclusions: a standard procedure is not enough and the threshold for complexity is substantially lower. The panel conceded that some things, like fraud for example, cannot be predicted. One investor pointed out that even Madoff himself had best in class marketing material on due diligence.

It was widely agreed that increased attention on the quantitative side will be a prerequisite moving forward. But with growing interest in **emerging markets**, where data on asset classes and managers is still developing, a departure from traditional index-thinking will be necessary to effectively pinpoint the intrinsic quality of the underlying asset.

Benchmark-agnostic approaches are gaining ground as institutional investors contemplate the modern utility of traditional beliefs. Hedge funds are a notable example. The evolution of these investment vehicles has been a rapid and volatile one. From legitimate asset class status in bygone bull market days to a domicile war and more recently managed accounts and UCITs, a variety of definitions for the term 'hedge fund' now exist. Many investors would rather implement their own version of hedge fund investing, adopting equity long/short strategies for example, while holding the reins in-house.

If alpha does exist in this market, institutional investors will have to think outside the box to find it. Whether completely defensive or set firmly on absolute return, leading edge investors must seek to find opportunities in unfamiliar areas and with heightened risk awareness. In an era defined by new normals, fresh approaches to building a diversified portfolio will prevail.

The **AIE Summit's** interactive sessions on manager selection, alternative investment strategy and macroeconomic movements were complemented by a variety of frontline case studies. From viable hedge fund products and the Basel III impact on asset allocation to the integration of cat bonds and existence of alpha, the investment insights shared covered both the technical and philosophical challenges investors and asset managers are currently faced with.



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Contact: Sarin Kouyoumdjian-Gurunlian, Press Manager, **marcus evans**, Summits Division

Tel: + 357 22 849 313

Email: press@marcusevanscy.com

About the Alternative Investments Europe Summit 2011

This unique forum took place at the Fairmont Le Montreux Palace, Montreux, Switzerland, 4 - 5 October 2011. Offering much more than any conference, seminar or trade show, this exclusive meeting brought together esteemed thought leaders in institutional investing and market leading solution providers for a highly focused and interactive networking event. The Summit addressed the ongoing evolution of alternative investing trends and provides attendees with fresh perspectives on adapting active management methods for a profitable investment portfolio despite market uncertainty.

For more information please send an email to info@marcusevanscy.com or visit the event website at www.aie-summit.com

marcus evans group - investment sector portal

Complementing our Summit format, the **Investment Network – marcus evans Summits** group delivers peer-to-peer information on strategic matters, professional trends and breakthrough innovations.



Please note that the Summit is a closed business event and the number of participants strictly limited.

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