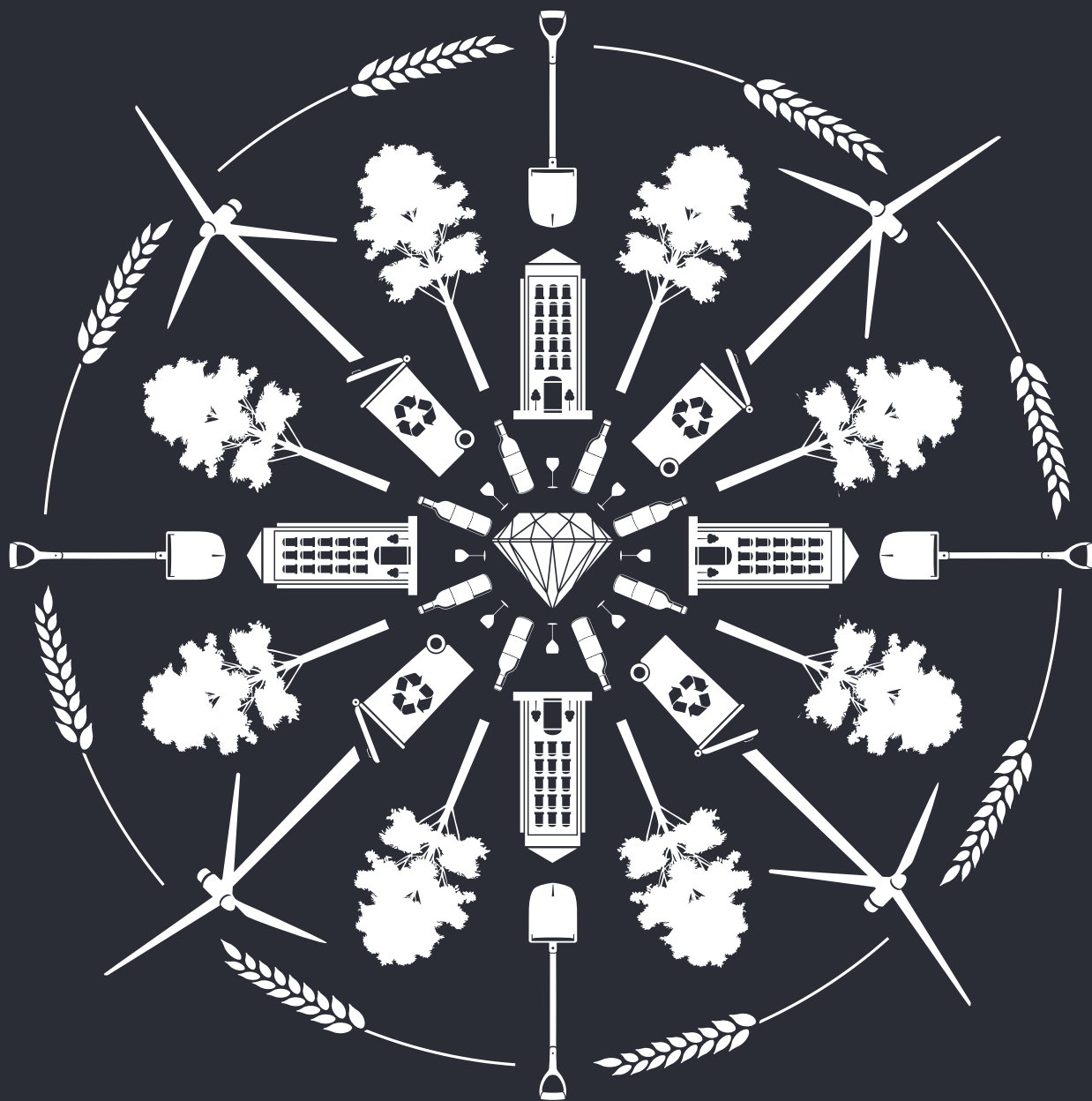


AiR

2013

ALTERNATIVE INVESTMENT REPORT



PRESS RELEASE - FEBRUARY 2013

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A COMPREHENSIVE STUDY OF ALTERNATIVE INVESTMENTS



78 PAGE INDUSTRY REPORT AVAILABLE TO DOWNLOAD HERE

CONTENT

The focus of this industry report is on real assets that are most commonly described as alternative investments. The emphasis is on directly held, non-regulated investments marketed to UK based retail investors in 2012.

Some of the topics covered include:

- An overview of the drivers behind the growth in alternative investments
- A closer look at the changing regulatory environment
- A summary of the distribution landscape
- Analysis of the role of alternative investments within a traditional investment portfolio
- Insight into the requirement for further due diligence
- A review of current trends and market sentiment

The report also offers detailed analysis of the eight most common alternative investment sub-sectors or asset classes which, for the purposes of this report, have simply been defined as sectors. This analysis is based upon in-depth market research; giving readers an up to date snapshot of the types of alternative investment products available in the market.

This report is primarily aimed at:

- Financial advisers and intermediaries
- Alternative investment promoters
- Alternative investment product providers
- SIPP operators who accept alternative investments
- Industry advisers and practitioners

It is not intended to recommend particular products or sectors; endorse specific business practices or investment strategies; nor criticise or oppose other types of investment. The intention is to provide a market neutral, factual overview of a relatively new sector and assist readers in developing their knowledge and understanding of alternative investments.

Investments into real assets through collective investment structures receive plenty of coverage elsewhere, although they are touched upon in some of the analysis they were mostly excluded from this research.

Some analysis of the SIPP market has also been included as bespoke SIPPs have been a contributory driver in the growth of the industry.

AUTHOR

Intelligent Partnership, author of this report, specialise in alternative investments and provide the following trade-only services:

- Accredited training on alternative investments for financial advisers and intermediaries
- Guidance for product providers looking to enter the market
- Distribution of a small portfolio of products



21.1.13:- Tamsin Mills, Director of Accreditation Services at the CII, presents Guy Tolhurst, MD of Intelligent Partnership, with the CII CPD certificate for the Alternative Investment Report (AiR).



PRESS RELEASE - AiR 2013

EDITORIAL

The alternative investment marketplace has grown rapidly over the last five years, from less than 50 alternative investments in 2008 to over 250 today. And after more than 15 years of poor delivery from traditional strategies, there is a lot of investor interest in alternatives

However, the considerable growth in alternative investments witnessed last year is simply not sustainable. The recent FSA alerts on overseas property investments, Unregulated Collective Investment Schemes and the practice of advising on SIPPs but not on the subsequent investments into alternatives - will all bring about significant changes to the industry in 2013.

Intelligent Partnership has published the first comprehensive industry report on Alternative Investments, with a focus on real assets being marketed to UK investors in 2012.

The research suggests that the number of products available in the six key sectors (Farmland, Energy, Forestry, Precious Metals, Property and Land) rose by over 400% between 2008 and 2012. Property is by far the largest alternative investment sector growing 73% in 2012 to make up 37% of the products in the market last year. Forestry is the second biggest sector with over 20% of the products in the market. The timber market has seen consistent growth over the last century and timber prices remain extremely strong.

The research also highlights that alternative investment products generally do not have a very long life span. This is likely due to capacity, with only a limited area of land, number of rooms or number of trees available to investors. The longest standing investments still actively marketed today are seen in Farmland (going back to 2007), Property (2007), Forestry (2004) and Precious Metals (2001).

Guy Tolhurst, Managing Director of Intelligent Partnership commented; "With the sector growing as quickly as it has been, and understandably coming under increased regulatory scrutiny, we felt that the time was right to bring all of the knowledge we have learned over the last five years into an industry report. Our intention is to combine

this knowledge with our own research and help readers make informed decisions about where they want to take their alternative investment business in 2013".

The research suggests that as much as 70% of new investments into alternatives in 2012 were made via a SIPP, part driven by the strong growth in the number of new SIPPs being set up on an execution-only basis in 2012. With SIPP numbers now estimated to have reached 1 million with £125 Billion invested through them, how much some SIPP operators have relied on alternative investments to generate new business is unclear. The FSA are rightly concerned that the considerable growth in the number of products could lead to one or two major product failures, resulting in significant consumer detriment and the possible winding-up of a SIPP operator.

Daniel Kiernan, Chief Analyst at Intelligent Partnership commented; "There are many benefits to alternatives and there is undoubtedly a consumer appetite for these types of investments, but if the sector cannot develop a coherent proposition and ensure high standards all the way along the value chain - from the product provider, to the marketing and distribution and finally at the point of sale - then consumers will learn to stay away and the regulator will make it impossible to do business".

Intelligent Partnership has achieved accredited status for AiR 2013 from the Chartered Insurance Institute (CII). Readers of AiR can claim one CPD (Continuing Professional development), hour towards the CII member CPD scheme for each hour spent on the report. Gaining CPD accreditation for AiR as well as their alternative investment masterclass training, demonstrates a commitment to delivering only balanced, informative and high quality content to trade partners.

Tamsin Mills, Director of Accreditation Services at the CII, commented: "Continuing professional development is a key component of professionalism because it builds consumer confidence by maintaining standards of technical expertise and the practical application of knowledge. Successful achievement of CII CPD accreditation indicates that Intelligent Partnership's AiR met the standards expected

by the CII in the areas of transparency, quality and professional development. The CII is pleased to recognise Intelligent Partnership's commitment to professionalism through this CII CPD accreditation."

Intelligent Partnership believe the considerable growth in alternative investments witnessed in 2012 is simply not sustainable, and foundations have been laid which will bring about significant changes to the industry in 2013.

Anyone wishing to receive a free digital copy of AiR should register their interest by visiting www.AiReport.co.uk. A limited number of hardcopy reports are also available by request.

EDITORIAL NOTES

Interviews are available with the authors of the report by prior arrangement.

Contact: Peter Robinson
peter@intelligent-partnership.com
 0203 375 1707 or 07881 528028

INTELLIGENT PARTNERSHIP

Established in 2007, Intelligent Partnership provide consultancy and distribution solutions within the alternative investment sector.

Their product development team work with real estate developers, product providers and industry partners to design, structure and distribute leading alternative investments.

In terms of distribution, they are regarded as a quality filter, providing unrivalled due diligence, training and support for financial intermediaries looking to present alternative investments to their clients.

Intelligent Partnership are committed to the very highest professional standards as embodied by the trade associations they are members of; the Association of International Property Professionals, the Association of Member-Directed Pension Schemes and the Chartered Insurance Institute.