

## Isle of Man attracts alternative investment vehicles

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Funds of funds and alternative investment funds are helping to drive growth in the Isle of Man's collective funds industry, which has seen an increase in the number of funds of over 45 per cent in the year to 30 June 2002.

New research from Fitzrovia International shows that the island's funds industry has been able to withstand the sustained difficulties in equity markets. This is partly due to the impressive growth of more specialised asset class types such as funds of funds and alternative investment funds on the Island.

The number of funds of funds has increased by nearly 80 per cent, rising from 28 to 50 funds, while alternative investment funds have more than trebled from 9 to 29 funds, as at 30 June 2002.

Another key element of the growth in the funds industry has been Experienced Investor Schemes, launched in October 1999, and now making up 47 per cent of all funds notified to the Financial Supervision Commission, the largest proportion of all scheme types. There are 112 such schemes on the Island, up from 48 twelve months ago.

Among the leading service providers on the Isle of Man, Fortis Fund Services is the largest fund administrator with US\$1,485.9 million of fund assets under administration.

Royal Bank of Scotland International (RBSI) has the largest market share of assets under custody with US\$2,477.2 million. Bank of Bermuda is ranked second for both services, with US\$1,078.5 million and US\$2,441.4 million for fund administration and custody services respectively.

KPMG maintains its lead as the largest auditor of funds serviced on the Island (79 funds), just ahead of PricewaterhouseCoopers (77 funds), with Deloitte & Touche third (36 funds).

Cains retains its position as the legal adviser for the largest number of Isle of Man funds (190 funds) - a 69 per cent market share.

David McGarry, Managing Director of KPMG Audit LLC, said: "The Experienced Investor Fund category has achieved major growth, following its introduction three years ago, and is now the scheme of choice for all new funds projects. Demand from promoters and intermediaries continues to be strong, with an increasing variety of funds being formed."

The Isle of Man Fund Encyclopedia is available from London-based Fitzrovia International plc, and is priced at £1,549.

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