

## Fund presentation of the month: Laffitte Risk Arbitrage Ucits Fund

### Fund Strategy

The Laffitte Risk Arbitrage Ucits Fund was launched in 2007 and hence was one of the first UCITS funds focused on merger arbitrage. The Fund is based on short and medium term strategies with a focus on risk management, volatility and capital preservation. Using moderate leverage, the fund targets a return of Eonia + 500-800 bps with a volatility below 5%. Further characteristics are de-correlation to equity markets (historical correlation to the S&P 500 of 0.03), a unique investment process which is based on proprietary tools developed for more than 15 years to analyze, monitor and evaluate merger arbitrage opportunities. With strict real-time risk monitoring in place and offering daily liquidity the fund is designed for investors looking for uncorrelated returns and capital preservation.

### Fund Manager

Laffitte Capital Management's four founders have been early players in the field of regulated alternative investments and have an extensive shared experience in arbitrage strategies. Within the 4th largest French banking group, they exhibited a positive track record for 15 years as proprietary traders and developed trading tools and databases dedicated to various kinds of merger arbitrages. They managed more than €11 billion in Europe and in the United States including a €900 million port-



From left: Gabriel Teodorescu, David Lenfant, Arnaud Yvinec and Eric Robbe

folio dedicated to M&A Arbitrage. Their expertise includes risk arbitrage, basket trading, equity finance and equity derivatives.

### Fund Facts

Date of inception:	11 <sup>th</sup> of December 2007
AuM:	€ 160 million
Sharpe Ratio (monthly data):	1.85
Volatility (monthly data):	1.24%
1 month performance:	0.13%
3 month performance:	1.63%
12 month performance:	3.28%
36 month performance:	14.48%
YTD performance:	2.27%
Ann. Performance since inception:	5.18%

(All data as of 26.07.2011)



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## Interview with Markus Hill, MH Services



Markus Hill previously worked for SEB Bank and Credit Suisse Asset Management amongst others before he founded MH Services in 2005. He took this step as he realized that few asset managers had an accurate understanding of the potential of the German market in general and, more importantly, for their own products. He recently made the statement that two trends converge: the rise of UCITS III and the emergence of fund boutiques in Germany which will impact the landscape of the German financial industry. This bold statement made us curious to learn what impact UCITS III really had so far on the German market.

### Ucitsindex.com: Has UCITS III changed the German finance industry?

Markus Hill: I think so. Highly specialised, independent asset managers are becoming increasingly important to investment decision-makers from corporates, trusts, pension schemes and insurance companies. One reason for the triumph of the independent asset manager has been the above-average results of these specialised providers. However, in Germany there are now several domestic and foreign players from the alternative investment area with UCITS III compliant mutual funds on the market. This trend has been driven partly by the simplified purchase process that a UCITS structure allows. But for the alternative managers, it is also a marketing tool as it gives them a higher level of publicity in the media. So many hedge fund companies are attracted by the benefits of this 'hedge fund lite'.