

INVESTMENTS STATISTICAL DIGEST

2010 BULLETIN



In this bulletin, the Cayman Islands Monetary Authority (CIMA) provides the latest available aggregate data on the performance and structure of funds regulated in the Cayman Islands during 2010.

The information, gathered from 6,926 regulated funds that had a financial year-end in 2010*, gives valuable insight on the industry's stabilisation following the financial tumult at the end of 2008.

CIMA hopes that the Investments Statistical Digest – 2010 Bulletin will contribute to the transparency and increased understanding of the evolving global funds industry.

Highlights

	2010	2009	2008
Net asset value of funds	US\$1,728 Billion	US\$1,561 Billion	US\$1,693 Billion
Subscriptions / Redemptions	US\$654 Billion / US\$558 Billion	US\$598 Billion / US\$888 Billion	US\$1,014 Billion / US\$1,110 Billion
Net income	US\$170 Billion	US\$203 Billion	-US\$429 Billion
Percentage of funds suspending trading	5%	7%	7%
Asset allocation: top fund type to which assets allocated	Master Fund (37% of net assets)	Master Fund (36%)	Master Fund (37%)
Top location of investment managers, by net assets	New York	New York	New York
Top location for net asset value (NAV) calculation services	USA	Cayman Islands	Cayman Islands
Top location for registrar and transfer agent (RTA) services	Cayman Islands	Cayman Islands	Cayman Islands
Percentage of funds requiring a minimum initial investment of US\$1million or more	43%	45%	44%
Most popular legal structure for funds	Exempted Company	Exempted Company	Exempted Company
Percentage of funds listed on Irish Stock Exchange and Cayman Stock Exchange	Ireland: 6% Cayman: 4%	Ireland: 7% Cayman: 4%	Ireland: 8% Cayman: 4%

*The information is collated from the Fund Annual Return that CIMA-regulated funds with a 2010 financial year-end date submitted to the Authority via CIMA's electronic reporting (E-Reporting) system up to 9 December 2011. The funds represent approximately 79% of the 8,762 Cayman Islands-regulated funds that had a financial year-end during 2010, and 73% of the 9,438 funds regulated in the jurisdiction as at December 2010.

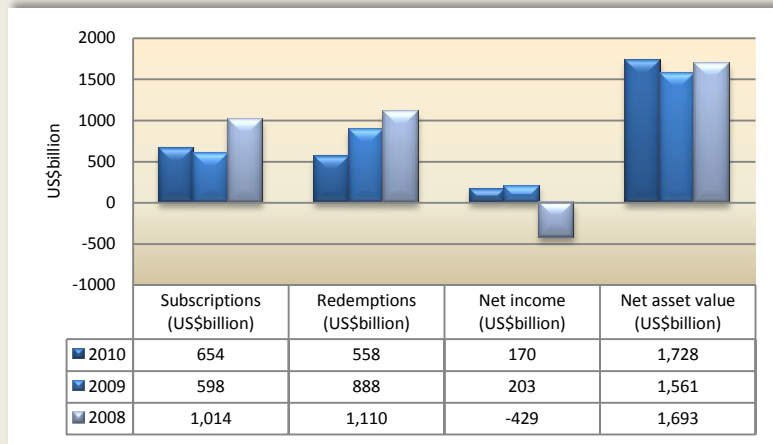


Selected Financial Indicators

Subscriptions, Redemptions, Net Asset Value, Net Income

The 6,926 funds that had submitted a Fund Annual Return (FAR) at the time of this publication were able to attract a combined total of US\$654 billion in subscriptions for 2010, a 9% increase over 2009. The heightened investor confidence reflected in this increase in subscriptions is even more evident in the fact that redemptions, which totalled US\$558 billion, were 37% below 2009 levels and half of what they were in 2008. Additionally, only 5%, or 346, of the funds filing a 2010 FAR suspended trading.

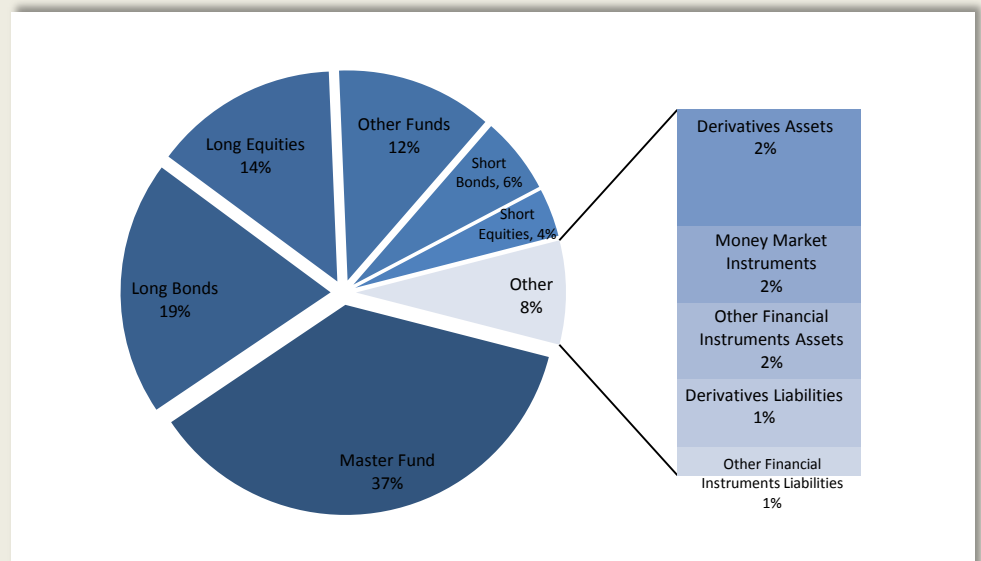
Net asset values also increased to US\$1,728 billion, up from US\$1,561 billion in 2009. In addition, funds reported net income of US\$170 billion in 2010. However, despite the improvements in subscriptions, redemptions and net asset values in 2010, the net income of US\$170 billion was 16% less than the US\$203 billion in net income earned in 2009.



Asset Allocation

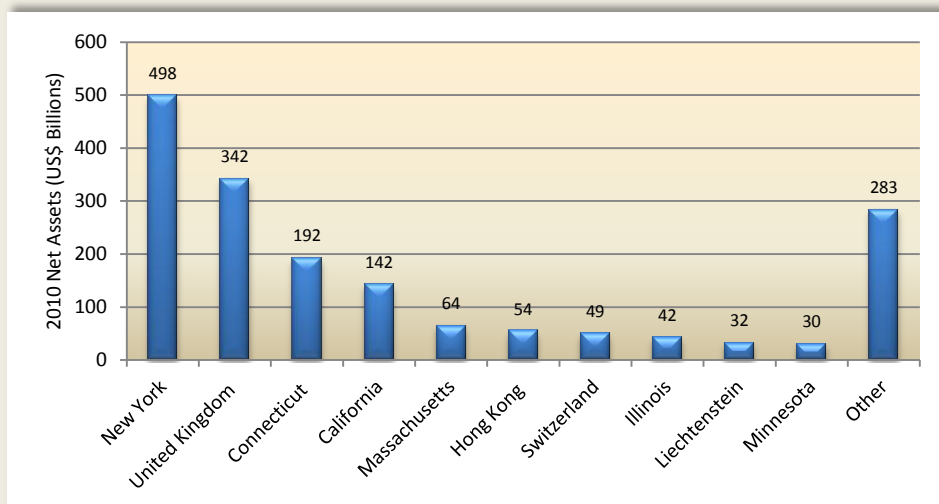
In 2010, master funds attracted the largest proportion of the net assets of funds filing a FAR. A total of US\$787 billion (37%) was allocated to this category. The dominance of master funds as an asset allocation category has continued since 2006, the first year for which CIMA collated these statistics. The second and third highest allocations were to long bonds (US\$421 billion – 19%) and long equities (US\$306 billion – 14%).

Asset Allocation 2010	Value of Investment (US\$ Billions)
Master Fund	787
Long Equities	306
Short Equities	80
Long Bonds	421
Short Bonds	127
Other Funds	259
Money Market Instruments	36
Derivatives Assets	55
Derivatives Liabilities	32
Other Financial Instruments Assets	36
Other Financial Instruments Liabilities	13
Total	2,152



Investment Manager Location

The table below shows the locations of the investment managers who controlled the largest proportions of net assets of the funds that filed a FAR for 2010. The top five investment manager locations continued to be New York, the United Kingdom, Connecticut, California and Massachusetts. The US\$498 billion controlled by New York-based managers represents 28% of total net assets. The UK and Connecticut followed, with 20% and 11% share, respectively. Investment managers in all top five locations held total net assets in excess of the totals for 2009. Minnesota was the investment management location with the tenth largest share of net assets (US\$30 billion) of funds that filed a FAR for 2010.



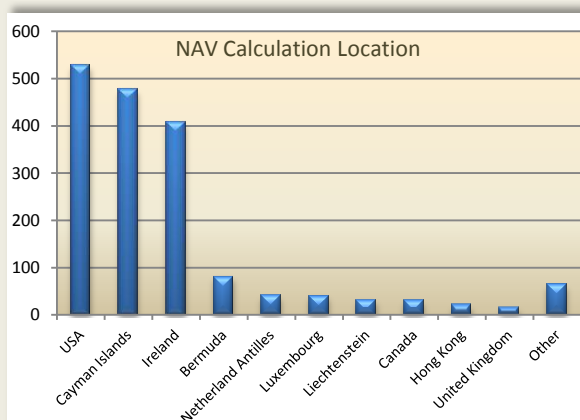
Fund Administration Services Location

NAV Calculation Location 2010	Net Assets (US\$ Billions)	Percentage
United States of America (USA)	527	30%
Cayman Islands	475	27%
Ireland	407	24%
Bermuda	80	5%
Netherlands Antilles	41	2%
Luxembourg	40	2%
Liechtenstein	31	2%
Canada	30	2%
Hong Kong	20	1%
United Kingdom	14	1%
Other	63	4%
Total	1,728	100%

Top five USA states: Massachusetts (US\$208b), New York (US\$119b), New Jersey (US\$51b), Pennsylvania (US\$31b), Connecticut (US\$27b), other USA states (US\$91b)

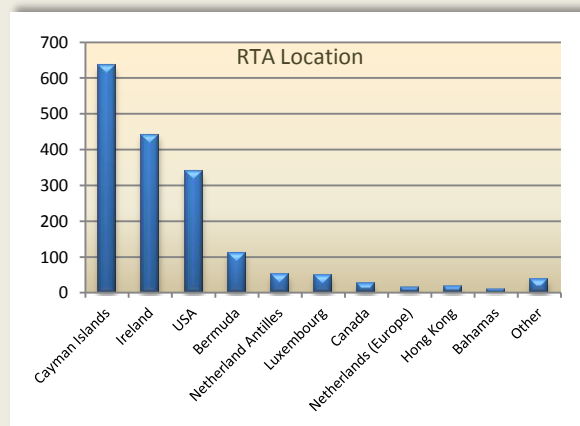
RTA Location 2010	Net Assets (US\$ Billions)	Percentage
Cayman Islands	634	37%
Ireland	441	26%
USA	339	20%
Bermuda	111	6%
Netherlands Antilles	51	3%
Luxembourg	49	3%
Canada	26	2%
Netherlands (Europe)	13	1%
Hong Kong	17	1%
Bahamas	10	1%
Other	37	2%
Total	1,728	100%

Top five USA states: Massachusetts (US\$161b), New York (US\$80b), Minnesota (US\$25b), Pennsylvania (US\$23b), Connecticut (US\$13b), other USA states (US\$37b)



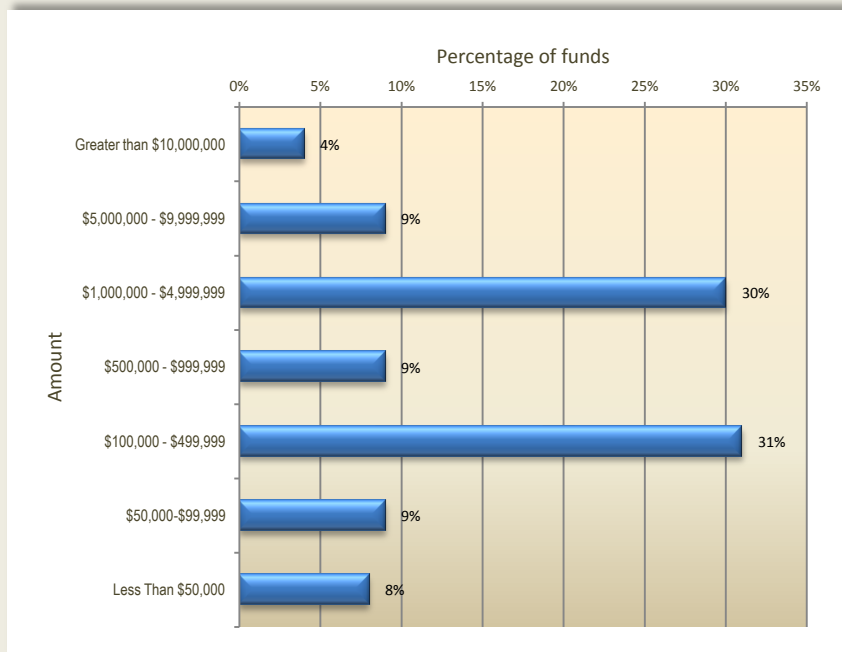
The top locations for fund administration services, as measured by the net assets of the funds administered, were the USA, the Cayman Islands and Ireland.

The USA moved ahead of Cayman in the provision of net asset value (NAV) calculation services in 2010. USA administrators providing NAV calculation services had US\$527 billion in net assets under administration (30% of total net assets), while Cayman NAV calculation providers had US\$475 billion (27% of total). For 2009, Cayman NAV calculation providers had 35% of the total net assets under administration, while the USA and Ireland had 23% each.



Cayman held a firm lead in the provision of registrar and transfer (RTA) services for 2010, with US\$634 billion in net assets under administration (37% of total), while Ireland had US\$441 billion (25%) and the USA had US\$339 billion (20%) under administration. The proportions in 2009 were: Cayman, 45%; Ireland, 26%, and USA, 10%.

Minimum Initial Subscription Amount

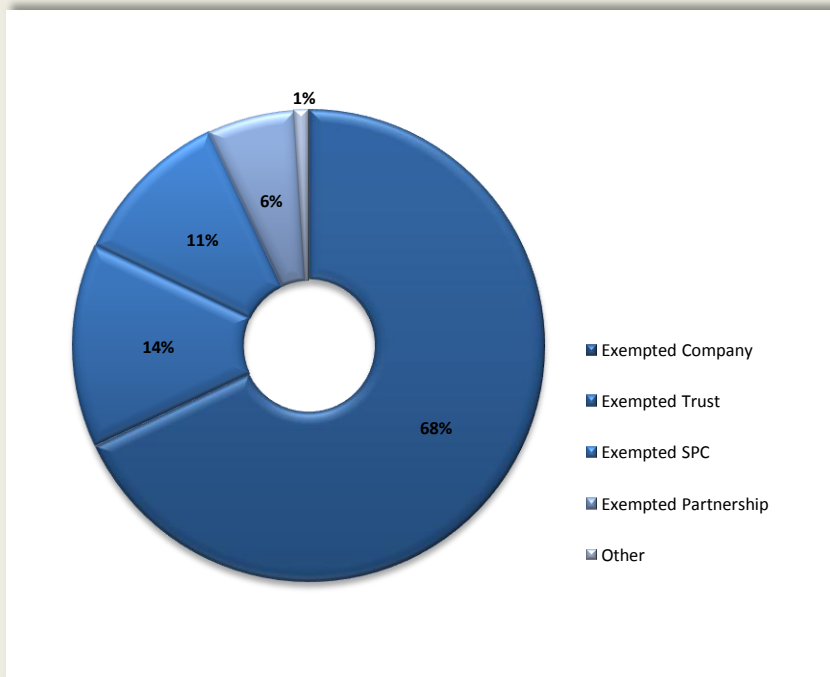


For 2010, a total of 43% of the 6,926 funds that submitted a FAR had a minimum initial subscription (i.e., a minimum aggregate equity investment) of US\$1 million or more. Another 40% set their minimum initial subscription amount at between US\$100,000 and US\$999,999.

The minimum initial subscription amount required by CIMA for the registered funds category is US\$100,000.

The fact that 83% of the funds required a minimum initial subscription of US\$100,000 or more demonstrates that most funds regulated by CIMA are non-public funds catering to sophisticated, high net-worth and/or institutional investors.

Legal Structure



The preferred legal structure for Cayman-regulated funds is the company structure, with exempted companies being the vehicle for over two-thirds of the funds that submitted a FAR for 2010. Another 11% were exempted segregated portfolio companies (SPCs).

The second largest category was exempted trusts, with 14% of the funds having this structure. Exempted partnerships accounted for 6% of funds, while 1% opted for other legal structures.