

PRESS RELEASE

Universal-Investment adds XAIA Investment to its platform

- **Munich-based investment boutique XAIA Investment transfers funds with a volume of about € 2 billion to Universal-Investment platform**
- **Universal-Investment to handle fund administration and distribution**
- **XAIA expert Jochen Felsenheimer sees potential for alternative investment strategies in continuing low-interest environment**

Munich and Frankfurt/Main, 16 January 2013. The investment company Universal-Investment is extending its Luxembourg-based administration platform to include Munich-based asset manager XAIA Investment. Effective 1 January 2013, XAIA's experts in market-neutral investment strategies have transferred all their funds with a total volume of just under € 2 billion to Universal-Investment. Three of the funds are registered for public distribution:

- **XAIA Credit Basis** (LU0418282348)
- **XAIA Credit Basis II** (LU0462885483)
- **XAIA Credit Debt Capital** (LU0644385733)

"We have decided to transfer our funds to Universal-Investment's efficient administration platform because this will enable us to exclusively focus on our fund management activities," said Wolfgang Klopfer, chairman of the executive board of XAIA. "Aside from handling all fund administration processes, Universal-Investment will also support XAIA in marketing its funds. Previously, the Assenagon Group handled administration for these funds. The joint venture with Assenagon was terminated in 2012, with Assenagon Credit Management being renamed XAIA Investment.

"XAIA is an important partner for us in terms of extending UI-Newcits, our successful platform for alternative strategies," said Stefan Rockel, managing director of Universal-Investment. Including the XAIA funds, Universal-Investment currently administers € 4.2 billion in about 35 funds called Newcits. This makes UI-Newcits one of the largest European fund platforms for alternative investment strategies. The XAIA funds will boost the assets under administration of Universal-Investment in Luxembourg to € 13.7 billion, up € 9 billion from two years ago.

In addition to the independent asset managers and investment boutiques that will continue to form the core of its platform, Universal-Investment is increasingly attracting major institutions. "The cooperation with XAIA represents another important milestone following the partnership with Saxo Bank, a cooperation where Universal-Investment launched a successful fund family with a volume that now stands at € 700 million," said Rockel. Universal-Investment administers about 430 mutual funds with a total volume of € 17.4 billion from its Frankfurt and Luxembourg offices. The Universal-Investment Group's total assets under administration amount to about € 156 billion.

Low-interest environment set to last

XAIA's strategies utilize structural distortions and inefficiencies in capital markets to systematically generate stable returns. In carrying out its strategies, the firm makes targeted investments in bonds and

related hedging instruments. The aim is to generate stable, sustained returns with low volatility and with a low correlation to other asset classes.

The absolute return funds have achieved this objective so far. The XAIA Credit Basis has generated a performance of 26.47 % since its inception in April 2009; the XAIA Credit Basis II has gained 12.38 % since its launch in January 2010. Due to high demand and the limited investment spectrum, both funds are now closed to new investments. For this reason, the latest fund, XAIA Credit Debt Capital, has a broader investment universe and takes advantage of valuation differences between the debt and equity instruments of single issuers. This fund has generated a return of 6.66 % since its inception in September 2011. (All performance data are as of the end of 2012.)

Capital market expert Jochen Felsenheimer remains optimistic about the conditions for implementing XAIA's strategies. According to Felsenheimer, the continued high liquidity injections from the ECB point to persistently high demand particularly for fixed income instruments over the short term. But because the monetary stimulus also does not offer a sustainable solution to the global debt crisis, Felsenheimer believes investors will have to brace for further massive market disruptions in future. This is where XAIA's investment strategies will come into their own. Felsenheimer warned: "The markets' current low risk aversion presents a number of threats. For example, a sustained low-interest environment harbours high risks for asset-liability-driven investors, above all insurance companies and pension funds."

Fund Data at a Glance

XAIA Credit Debt Capital	Share Class Retail	Share Class Institutional
Investment Managers	XAIA Investment GmbH, Munich	
Investment Company	Universal-Investment-Luxembourg S.A., Munsbach / Luxembourg	
ISIN	LU0644385733	LU0644384843
Fund Category	Absolute Return	
Fund Currency	Euro (EUR)	
Appropriation of Earnings	Distributing	
Management Fee	Up to 1,11 % p.a.	Up to 0,57 % p. a.
Initial Charge	Up to 3 %	-
Back-end Load	As off 30.09.2012: 0,5 % As off 30.09.2013: 0,25 % As off 30.09.2014: -	
Min. initial Investment	-	500,000 EUR
Performance Fee	20 % of the outperformance above hurdle-index (3-Month-Euribor + 2,00 %) with High Water Mark	

XAIA Credit Basis	Share Class Retail	Share Class Institutional
Investment Managers	XAIA Investment GmbH, Munich	
Investment Company	Universal-Investment-Luxembourg S.A., Munsbach / Luxembourg	
ISIN	LU0418282348	LU0418282934
Fund Category	Absolute Return	
Fund Currency	Euro (EUR)	
Appropriation of Earnings	Distributing	
Min. initial Investment	Closed for new investments	

XAIA Credit Basis II	Share Class Retail	Share Class Institutional
Investment Managers	XAIA Investment GmbH, Munich	
Investment Company	Universal-Investment-Luxembourg S.A., Munsbach / Luxembourg	
ISIN	LU0462885483	LU0462885301
Fund Category	Absolute Return	
Fund Currency	Euro (EUR)	
Appropriation of Earnings	Distributing	
Min. initial Investment	Closed for new investments	

ABOUT XAIA INVESTMENT

XAIA Investment has been active in fund management since April 2009 and specialises in credit basis strategies. In operational terms, the Munich-based asset manager started out as the credit department of Assenagon Asset Management S.A., Munich branch. After receiving its BaFin authorisation in February 2011, the firm's activities were transferred into the joint venture Assenagon Credit Management GmbH. Since June 2012, all shares in the company have been held by the managing partners Ulrich von Altenstadt, Jochen Felsenheimer and Wolfgang Klopfer (chairman of the executive board). In November 2012, Assenagon Credit Management was renamed XAIA Investment. XAIA's 11-member team currently manages about € 2 billion in four funds.

For further information, please visit www.xaia.com

ABOUT UNIVERSAL-INVESTMENT GROUP

With fund assets in excess of more than EUR 156 billion under administration, 1,000 funds and investment mandates and a workforce of around 450, Universal-Investment Group is the largest independent investment company in German-spoken Europe. With its three core areas administration, insourcing and risk management, the focus of the company lies on the efficient and transparent administration of funds, securities and alternative asset classes. Universal-Investment is the central platform for independent asset management and combines the investment expertise of boutiques, private banks, international asset managers and investment firms. Universal-Investment was founded in 1968 as subsidiary of well-known private banks. The company is headquartered in Frankfurt/Main and has subsidiaries and holdings in Luxembourg and Austria. As pioneer of the investment industry Universal-Investment is now market leader in the areas of master-KAG and private label funds. Members of the management board are Oliver Harth (deputy spokesman), Markus Neubauer, Stefan Rockel, Alexander Tannenbaum and Bernd Vorbeck (spokesman). (As per December 2012)

More information on www.universal-investment.com

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