

24th. August 2010 - Corporate Announcement

After the successful launch of their flagship fund Ayaltis Areca Value Discovery in December 2008, in midst of the credit crisis, Ayaltis is pleased to announce **the launch of Ayaltis Acantias Offshore fund**, a specialized and concentrated fund of hedge funds dedicated to capture deep value investment opportunities in the stressed and distressed credit space and **the hire of two new senior investment professionals** to strengthen the corporate structure.

Fund description

The Ayaltis Acantias Offshore fund will focus on undervalued assets in the stressed and distressed credit space. The fund aims to capture value in all credit markets investing across all seniority levels following through the current period of strong technical versus fundamental dislocations expected to last for the next few years. The fund is very concentrated investing in between 6 - 8 seasoned distressed credit hedge funds with proven investment skills, leadership, innovation and management talent. Contrary to traditional distressed, selected funds present a market neutral investment bias to navigate the expected future increase in market volatility as global deleveraging continues. Attractive uncorrelated returns will be achieved through the combination of high cash flow income and capital appreciation. The fund's target is an annualized return of 18% - 24% p.a. with a volatility of 8% p.a. over a three to five years investment horizon. The fund is up 8.35% YTD and since its launch in March 2010.

Investment rationale

Despite the improvement in the debt market together with impressive rally in all risky assets in 2009, there are still tremendous opportunities to achieve superior returns within specific stressed and distressed credit managers in the next few years.

Ongoing weak economic growth fundamentals maintain attractive credit spreads across the capital structure and generate plenty of events in the credit space. Excessive balance sheet leverage, increased low grade issuance and poor technical are creating unique investment opportunities in debt of stressed and distressed companies with a sound business, healthy asset base and attractive cash flow characteristics.



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Distressed credit investing is a cyclical macroeconomic theme that requires in depth knowledge as well as disciplined manager selection process. Timing of the entry points of each variation of the credit strategies is key and can significantly affect the performance outcome.

The Ayaltis Acantias fund has been discretely launched beginning March 2010 with seed money from family offices. The results are very exciting with a performance since inception and YTD of 8.35%. The fund had its first “stress test” in May and June 2010 but showed high resilience to market shocks in delivering net positive of 0.10% in those two months. The result is remarkable given its resilience while investing in high risk premia strategies such as distressed credit.

Ayaltis strengthen its corporate structure

Ayaltis AG, the investment advisor of its flagship fund Ayaltis Areca Value Discovery and the new fund Ayaltis Acantias Offshore, is pleased to announce that it has hired Guillermo Worlicek and Massimo Martino to strengthen its existing team.

Guillermo Worlicek has joined Ayaltis from Harcourt Investment Consulting AG, where he worked for five years, most recently as Executive Director. Guillermo will be a Partner and is responsible to implement a Risk & Quant Management Framework within Ayaltis. Massimo Martino joined Ayaltis from Banca del Ceresio where he spent more than six years as Fund Operations Manager of its six fund of hedge funds managed by the bank. At Ayaltis, Massimo will be responsible for the complete life cycle of the Fund Operations Service.

About Ayaltis AG

Ayaltis is a specialized fund of hedge funds advisor with focus on fixed income and credit strategies based in Zurich/Switzerland. The company was founded by very experienced hedge funds professionals with an excellent track record of creating superior risk adjusted returns.

The company is backed by sophisticated and long term investors and owned by its partners and employees.



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