



8 March 2010

Guernsey funds continue to recover

Figures issued today show that the value of investment funds in Guernsey increased by £2.7bn (1.5%) during the final three months of last year.

The second successive quarter of growth takes the total value of funds business in the Island to £184.2bn at the end of December 2009.

However, over the full calendar year, this is a decline of £16.2bn (8.1%) from the end of December 2008.

“We can continue to be cautiously optimistic about our funds sector,” said Peter Niven, Chief Executive of Guernsey Finance.

“Although we have seen overall business decline by some 8% during the last calendar year, it must be remembered that this comes in the wake of a severe global financial crisis. Our performance has outstripped some of our closest competitors and the fact that we have had two consecutive quarters of growth to the end of the year points again to a slow climb out of the general trough of 2008/9.

“Our funds industry is proving robust throughout changing economic conditions and this final quarter of growth represents a positive move forward. It is another step down a long road to recovery but with increasing confidence in the markets, we hope that this will continue through 2010.

“Certainly, Guernsey practitioners are reporting a greater level of business than a year ago, with particular interest from promoters and sponsors in harnessing our experience and expertise in the alternative and niche asset classes using closed-ended funds.”

Guernsey domiciled closed-ended funds reached a net asset value of £85.4bn at the end of December, which was a rise of £4.3bn (5.3%) during the quarter but a decline of £6.1bn (6.7%) year on year.

The Guernsey open-ended sector was valued at £50.7bn by the end of the year – down £800mn (1.4%) during the final three months of 2009 and falling £12.9bn (20.3%) compared to twelve months ago.

Non-Guernsey schemes, where some aspect of management, administration or custody is carried out in the Island, decreased by £800mn (1.6%) during quarter three to reach £48.1bn although this is £2.8bn (6.2%) higher than the value at the end of December 2008.

The figures issued also show that the gross asset value of all Guernsey funds reached £220.7bn at the end of December. This is a rise of £3.5bn (1.5%) from the end of September, which was the second quarter for reporting those gross figures.

Within the investment management and stockbroking sector, 80 respondents confirmed gross assets under management of £47.1bn.

Release Ends