



🏆 = Top Rated   🏆 = Commended  
★ = Best In Class   ○ = Unrated   ⊕ = Not Rated

## 2006 HEDGE FUND ADMINISTRATION SURVEY

# IFS—A State Street Company

🏆 Global | ⊕ <\$100M | 🏆 \$100M-\$1B | 🏆 \$1B+ | 🏆 Single Strategy | 🏆 Multi-Strategy | 🏆 Fund of Funds | 🏆 North America | 🏆 Europe | ⊕ Asia

This was a typically outstanding performance by IFS, with scores achieved by both the Dublin and US East Coast operations more or less unchanged by comparison with a year ago. "We are thrilled with IFS," writes a client. "They are a true partner, and we are confidently outsourcing more and more to them (including all front-to-back functions) to focus on our core missions of delivering investment performance and investor service."

Overall, respondents found the firm at least "very good" and often better on more than nine out of 10 questions. In fact, two small and non-comparable providers apart, IFS leads the survey once again. Its score on client service and relationship management is easily the best of any provider. "The knowledge depth is so deep at IFS that we rely on their advice on many issues," writes a client. "Their flexibility in adapting their technology to our needs is one of their greatest strengths."

The US East Coast outscored Dublin in every service area save the important one of fund accounting, with one large client of the Irish operation praising the "ability to provide independent valuation, monitoring reports to third-party lenders." But the differences in scoring between the two operations are not significant, despite the fact that Dublin attracted a higher rate of response, and IFS can be pleased at its ability to deliver equal quality on both sides of the Atlantic. Importantly, the concerns expressed in 2005 about the implications of the State Street takeover are also conspicuous by their absence this year.

The scores are so uniformly high that searching for signs of weakness seems almost sacrilegious, but it is noteworthy that all of the scores that dip below "very good" fall in one of two areas: value and reporting. Value was raised in 2005, and although the issue clearly concerns only a minority of clients, it is interesting that they are all large rather than small funds. But one sizeable client counters, "IFS is the best bargain out there. The combination of all the services gives me the comfort that I can grow my business aggressively."

### PROVIDER PROFILE

PRIMARY ADMINISTRATOR		GEOGRAPHY	
67.0%		North America	89.5%
STRATEGY		Europe	8.8%
Single Strategy	50.9%	Asia	1.8%
Multi-Strategy	49.1%		
TOTAL AUM		AUM IN HEDGE FUNDS	
<\$100M	7.0%	<\$100M	7.0%
\$100-\$1B	21.1%	\$100-\$1B	28.1%
\$1-5B	43.9%	\$1-5B	43.9%
\$5B+	28.1%	\$5B+	21.1%

### TOP 5 INVESTMENT STRATEGIES

1. Equity Long/Short	38.6%	<div style="width: 38.6%;"></div>
2. Market-Neutral	26.32%	<div style="width: 26.32%;"></div>
3. Emerging Markets	22.81%	<div style="width: 22.81%;"></div>
4. Distressed Securities	21.05%	<div style="width: 21.05%;"></div>
5. Fixed Income	19.3%	<div style="width: 19.3%;"></div>

### LOCATIONS RATINGS

	2004	2005	2006	2006 score
Dublin (or Ireland)	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	6.28
US East Coast	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	6.46

	<span style="color: red;">🏆</span>	⊕	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	<span style="color: red;">🏆</span>	⊕
	GLOBAL	<\$100 MILLION	\$100M-\$1B	\$1B+	SINGLE STRATEGY	MULTI-STRATEGY	FUND OF FUNDS	NORTH AMERICA	EUROPE	ASIA
Client Service	★ 6.52		★	★	★	★	★	★	★	
Value	★ 6.15		★	★	★	★	★	★		
Fund Accounting	★ 6.47		★	★	★	★	★	★	★	
Investor Services	★ 6.38		★	★	★	★	★	★	★	
Investors Reporting	★ 6.49		★	★	★	★	★	★	★	
Fd Mngrs Reporting	★ 6.48		★	★	★	★	★	★	★	
Compliance & Tax	★ 6.19		★	★	★	★	★	★	★	
Corporate Admin	★ 6.21		★	★	★		★	★	★	
Fund Structures	★ 6.42		★	★	★	★	★		★	
Credit/Leverage	n/a *									
Technology	★ 6.11							★		
<b>Total</b>	<b>6.34</b>	<b>n/a</b>	<b>6.57</b>	<b>6.25</b>	<b>6.37</b>	<b>6.31</b>	<b>5.97</b>	<b>6.38</b>	<b>6.04</b>	<b>n/a</b>

\* Service not provided.

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