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Press Release

Advanced Capital on international expansion drive with seed investment in to Pan Asian distressed asset specialist mCAPITAL

Advanced Capital, the leading European alternative investment specialist, headed up by innovative financier Robert Tomei, and award winning European hedge fund incubator, IMQubator, today announced €50million joint seed investment into the new ***mCapital European & Asian Special Situations Fund***.

Launched on 11 February 2011, the mCapital fund offers a niche investment strategy with a focus on dynamic small to medium size special situations with a focus on distressed assets. The mCapital investment team is lead by Mark Devonshire, former head of Merrill Lynch's Hong Kong and London Principal Credit Group.

Devonshire brings together a topflight team; an entire investment team from Merrill Lynch in Europe and Asia who benefit from deep knowledge of local markets, as well as a management team who have worked together for over ten years. The fund's operations are located in London, Hong Kong and Amsterdam.

Robert Tomei CEO of Advanced Capital, which is widely recognised as Italy's top fund of funds with 1 billion Euros AUM, said: "It was key for Advanced Capital's growth to capitalise on the enormous value being created in major Asian markets. The region is a driving force for global economic growth and offers



strong earnings potential. The investment in the mCapital fund with IMQubator was a strategic decision with the aim of boosting our international presence and opening the myriad opportunities that exist in the region to our client base.”

Not only does the deal mark a strategic move for Advanced Capital into the vibrant Pan-Asian market but it also gives the Milan-based investment group access to a highly specialist and experienced investment team working directly on the ground in Asia’s leading fund management centre.

Tomei continued: “Fundamentally Hong Kong offers a crucial foothold to the booming Chinese market. Mark Devonshire and his experienced team of former Merrill Lynch professionals have worked together for over ten years. Their track record is simply very impressive, showing only positive returns and an annual performance since 2003 well above 20%. We’re excited to be taking a stake in this highly specialised opportunity. Without a doubt, mCapital is the kind of manager that every institution would like to have in its portfolio.”

“We are currently in the midst of a major expansion drive. This growth strategy will build on investments in new world-class fund managers, particularly in emerging sectors, but also concentrate on extensive new investment in our existing Energy and Global Real Estate funds,” he concluded

Jeroen Tielman, CEO of IMQ Investment Management, the manager of the IMQubator hedge fund seeding fund, commented: “We originally assisted mCapital in their design of a hybrid fund series structure combining hedge fund and private equity fund elements amongst others to align investor liquidity with the liquidity of the fund investments and to enhance transparency. The mCapital fund has the capacity to reach a total AUM well beyond the \$1billion level.”



With the latest fund commitment, Advanced Capital is firmly establishing itself as the investment manager to watch in the alternative investment space. It was recently ranked second globally out of 134 funds in Preqin's recent private equity fund of funds annual performance analysis. Following its existing range of funds this latest investment marks the launch for Advanced Capital's new generation of global managers.

Fund Terms – mCapital European & Asian Special Situations:

Launch:	February 2011	Term:	30 months
AUM Launch Amount:	USD72mn	Structure:	Series/ private equity style
Minimum investment:	USD1mn	High Watermark:	Yes
Management fee:	2% (Day 1 - 1.5% up to USD5mn; 1.25% if >USD5mn<USD10mn and 1% if >USD10mn)	Hurdle:	7%
Performance fee:	20% (15% day 1) on realisation	Administrator:	BNY Mellon
Subscriptions:	Quarterly	Legal Counsel:	Walkers, Jersey
Redemptions:	Series; realisation envisaged in 18-24months	Custodian:	Deutsche Bank AG, Singapore

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NOTES FOR EDITORS

About Advanced Capital

Advanced Capital (<http://www.advancedcapital.com>) is a leading independent group within the alternative asset management industry focused on investments in tangible assets worldwide (industrial, real estate) through private equity funds of funds. Established in 2005, AC has Euro 1 billion under management and offices in Milan, London, Lugano and Luxembourg. The company is managed by a team of world-class professionals with a proven track record for delivering sophisticated clients uncorrelated investment returns in diverse businesses cycles. It was recently ranked second globally out of 134 funds in Preqin's April 2011 private equity fund of funds annual performance analysis

About mCapital

The Fund Manager, mCAPITAL, was established by Mark Devonshire, an experienced investor in global alternative asset markets over the past 23 years. mCAPITAL is a specialist European and Asian multi-strategy manager that will focus on investing across the capital structure with core strengths in distressed, stressed, restructurings and recovery situations. The investment team is the senior investor group from the Merrill team in Asia and Europe. The Management team have worked together for over 10 years and jointly have approximately 180 years of experience.

About IMQubator

IMQubator (<http://www.imqubator.com>) is a cornerstone investor in emerging manager funds. The aim of IMQubator is to connect institutional investors with premium return potential of top asset management talent in a cost efficient, transparent and controlled risk environment. The initiative offers pension funds, asset managers, family offices and other institutional investors an opportunity to invest in new funds set up by top talented and experienced emerging managers at attractive costs. IMQubator was founded in January 2009 and has allocated €175 million to seven alternative investment managers so far.

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