

HEDGE FUND STANDARDS BOARD STRENGTHENS STANDARDS WITH INTERNATIONAL DIMENSION

17TH February 2012

The Hedge Fund Standards Board (HFSB) has agreed a series of changes to make its Standards more international and to strengthen them in the light of the financial crisis.

The amendments, which follow a consultation with investors and managers, pave the way for an HFSB drive to increase support among investors and hedge fund managers in the US and Asia.

Reflecting the growing international focus, Towers Watson, the global investment consultant, has recently become a Core Supporter of the HFSB. Goldman Sachs Hedge Fund Strategies, a business within the Goldman Sachs' Alternative Investments & Manager Selection group, Grosvenor Capital Management and Cantor Fitzgerald Investment Advisors, have also joined the Investor Chapter and Candlewood Investment Group, the US hedge fund manager, has become a signatory.

Dame Amelia Fawcett, chairman of the HFSB, said:

“Our new international supporters are an important vote of confidence in the HFSB’s mission.

“The changes to the Standards make them more suitable for managers outside the European market which have a different governance structure and our priority now is to build on the growing interest in Asia and the US.

“We have also toughened up the Standards in several areas, notably disclosure to investors, risk management and ensuring managers have suitable safeguards in place to prevent market abuse.”

The key change to make the Standards more international involves strengthening fund governance so that investors have a vote on significant issues if there is no independent governing body to protect their interests.

The amendments to the Standards can be seen at <http://www.hfsb.org/?page=11474>. The changes come into force with effect from 1 September 2012 giving signatories six months to incorporate them.

Nearly 60 hedge fund managers accounting for US\$230bn of assets under management are signatories and over 50 of the leading international investors in hedge funds support the initiative.

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Notes to editors:

1. The HFSB was formed in January 2008 to agree standards of good practice for hedge fund managers. The Standards are constantly reviewed by international investors and managers in the light of experience. A full list of signatories and supporters is available at www.hfsb.org.
2. Dame Amelia Fawcett became chairman of the HFSB in July 2011. She is also Non-Executive Chairman of the Guardian Media Group plc, a Non-Executive Director of State Street Corporation in Boston and a Non-Executive Director of

Investment AB Kinnevik in Stockholm. She was formerly Vice Chairman and Chief Operating Officer of Morgan Stanley International Limited and a member of the Court of Directors of the Bank of England. In 2002 she was awarded a CBE and in 2010 a DBE, both for services to the finance industry. She is a Governor of the London Business School, a Fulbright Commissioner and a Trustee of Project HOPE (UK).

3. The Trustees of the HFSB are:

- Tom Dunn, Managing Principal, New Holland Capital
- Christopher Fawcett, Senior Partner, Fauchier Partners LLP, AIMA Board Member
- Kathryn Graham, Director, BT Pension Scheme Management Ltd (BTPS)
- Michael Hintze, CEO, CQS
- Anthony Lim, MD, Government of Singapore Investment Corporation
- Paul Marshall, Chairman and CIO, Marshall Wace LLP
- David Neal, CIO, Future Fund, Australia
- Russell Read, CIO and Deputy CEO, Gulf Investment Corporation
- George Robinson, Partner, CFO and Head of Research, Sloane Robinson
- Emmanuel Roman, Co-CEO, GLG Partners; COO, Man Group
- Simon Ruddick, MD & Co-Founder, Albourne Partners
- Mario Therrien, Senior VP, Fund of Hedge Funds, Caisse de dépôt et placement du Québec