

HFSB STATEMENT ON THE TURNER REVIEW

19TH March 2009

The Hedge Fund Standards Board (HFSB) welcomes the Turner Review on the regulatory response to the global banking crisis.

The HFSB is supportive of proposals for regulators to collect information about hedge funds and their activities as required for systemic purposes and for this practice to be extended internationally.

The HFSB accepts that if hedge funds were to behave like banks, then they should be regulated like banks. However, it notes that Turner says: "Hedge funds in general are not bank like in their activities."

The HFSB shares the Turner Review's concern about standards in some offshore centres where hedge funds are domiciled. The HFSB standards already require enhanced governance standards for funds.

Antonio Borges, chairman of the HFSB, said:

"The UK has the most advanced regulatory regime in the world for hedge fund managers, which combines general powers of oversight and authorization with strong market pressure by investors.

"We shall continue to work with the FSA, other international supervisors and the Financial Stability Forum to strengthen the system by encouraging adoption of the HFSB's global standards."

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Notes to editors:

1. The HFSB was formed in January 2008 to take forward the work started by the Hedge Fund Working Group (HFWG), whose report on best practice standards was published that month.
2. A total of 40 hedge fund managers have now committed themselves to the HFSB's best practice standards.
3. The HFWG report on best practice standards for hedge fund managers is available at www.hfsb.org.
4. Antonio Borges, chairman, was formerly Vice Chairman and Managing Director of Goldman Sachs International in Europe (2000-2008). Before that he was Dean of Insead (1993-2000) and Vice Governor of Banco de Portugal, the central bank (1990-1993).
5. The other trustees of the HFSB are:
Peter Clarke, CEO, Man Group
Paul Dunning, CEO, FRM Ltd
Christopher Fawcett, Member of the Board, AIMA
Kathryn Graham, Director, Hermes Pension Fund Management
Michael Hintze, CEO, CQS
Anthony Lim, President of the London office and Advisor, External Managers Dept, GIC
Paul Marshall, Executive Chairman, Marshall Wace
Nicolas Moreau, Chairman, AXA Investment Managers Ltd
Russell Read, former CIO, CalPERS, and now CEO of C Change Investments
George Robinson, CFO, Sloane Robinson
Manny Roman, co-CEO, GLG
Simon Ruddick, Managing Director, Albourne Partners