

Newsletter
February 2014

Dear All,

Below is our February report on the developments at the HFSB.

New Signatories

We are delighted to welcome new additions to the HFSB family:

- Galliant Advisors LP (Canada)
- Halcyon Asset Management LLC (USA)
- Innocap Investment Management Inc (Canada)
- Masters Capital Management (USA)
- MST Capital Pty Ltd (Australia)
- Palmerston Capital Management (UK)

Innocap Investment Management Inc., a strategic alliance between National Bank of Canada and BNP Paribas, has become the first managed account platform to become a signatory of the Hedge Fund Standards Board.

Investor Chapter

We are also delighted to welcome our second member from Finland:

- Ilmarinen Mutual Pension Insurance Company (Finland)

HFSB Institutional Investor Roundtables in San-Francisco, Sydney & Melbourne

This month the HFSB kicked off its 2014 series of Institutional Investor Roundtables, starting with events in San Francisco (hosted by PwC), Sydney (hosted by KPMG and Hedge Fund Association) and Melbourne (hosted by Future Fund Australia).

Each of these events brought together institutional investors, including HFSB stakeholders, to discuss topics ranging from corporate governance, harmonising market risk reporting to analysing fund expenses.

Jane Buchan, CEO of PAAMCO who made a keynote speech at the San Francisco Roundtable noted “PAAMCO has been a Core Supporter of the HFSB’s efforts for several years now and we like the way in which the HFSB brings together investors and managers to drive better standards in the industry. This roundtable in San Francisco provided a great opportunity to move beyond the previously dominating topic of regulation and sharpen our focus on practical issues that matter to investors, including solid due diligence and risk management.”

David Neal, CIO of Future Fund Australia, who opened the Melbourne Roundtable, highlighted “bringing the HFSB Institutional Investor Roundtable to Australia shows the global relevance of the Hedge Fund Standards, and we were happy to host this event in Melbourne to enable the well-established institutional investor community here to take a closer look at the important mission of the HFSB.”

The HFSB would like to take this opportunity to thank our hosts PwC (San Francisco), The Hedge Fund Association, KPMG (Sydney) and Future Fund Australia for their contribution to making our events a success.

Public Speaking

Last month Thomas Deinet moderated panel on investor education at the HFM Week Hedge Fund Allocator Summit, exploring the education resources available investors.

This month Thomas Deinet moderated a panel at the Texas Hedge Fund Conference in Austin on building partnerships between investors and managers. Afsaneh Beschloss, President and CEO of The Rock Creek Group, who was one of the panellists, highlighted “despite often differing priorities and preferences of investors when structuring their hedge fund investments, today hedge funds are trying to be partners with their investors in the institutionalized world”

APPENDIX

Galliant Advisers LP	Galliant Advisers LP is a Montreal-based investment advisor, which offers investment solutions for a growing client base of high-net worth individuals and institutions. Galliant is partnered with Stanton Asset Management, and collectively, their executive team has over 35+ years of experience in the investment industry. Galliant offers its clients hedging strategies through its institutional market-neutral fund, the Galliant Equity Alpha Fund, as well as the Galliant Equity Long/Short Fund, which is approximately 50% hedged to the market. The firm utilizes an event-driven and fundamental investment approach supported by strong financial analytics to find investment securities poised for near-term share price movement.
Halcyon Asset Management LLC	Founded in 1981, Halcyon Asset Management LLC and its affiliates (the "Halcyon Group") constitute a global investment firm with approximately \$12.3 billion in AUM. Of that \$12.3 billion, \$6.2 billion is in multi-strategy hedge funds and the remaining \$6.1 billion is in bank loans. Halcyon Asset Management LLC is privately owned by 16 partners who average 14 years of experience with the firm. In addition, an affiliate of Neuberger Berman, which manages over \$200 billion of assets, has a passive 20% interest in the Halcyon Group. With offices in New York and London, the Halcyon Group employs approximately 110 in total staff, approximately 50 of whom are investment professionals. The Halcyon Group is committed to industry best practices and has been registered with the SEC since 1997 and authorized by the FCA since 2007.
Ilmarinen Mutual Pension Insurance Company	Ilmarinen Mutual Pension Insurance Company is one of the largest pension insurance companies in Finland with assets under management of 32 billion euros. Ilmarinen is responsible for the pension provision of a total of 900,000 persons within the statutory pension system in Finland, a defined benefit earnings-related pension. Having invested in hedge funds since 2002, Ilmarinen currently splits its hedge fund investments between the external hedge fund portfolio and the internal team investing directly in selected hedge fund-like strategies.
Innocap Investment Management Inc.	<p>Innocap Investment Management Inc. and Innocap Global Investment Management Ltd (collectively referred to as “Innocap”), have more than a decade of experience in the hedge fund industry. Innocap’s mission is to design, implement and operate dedicated managed account infrastructures, all while providing rigorous risk overlay solutions to enable and protect asset owners’ investment decisions.</p> <p>Innocap facilitates institutional investment decisions via an enhanced investment framework, flexible and capable of meeting evolving needs. Innocap has the advantage of leveraging the infrastructure of its shareholders, two large financial institutions, while still remaining flexible.</p>

<p>Masters Capital Management LLC</p>	<p>Masters Capital Management, LLC (the Adviser”) is an investment management firm registered with the U.S. Securities and Exchange Commission (“SEC) under the Investment Advisers Act of 1940. The Adviser’s principal place of business is located in Atlanta, Georgia and began operations on December 31, 1998.</p> <p>The Adviser provides discretionary investment advisory and management services to pooled investment vehicles intended for sophisticated and institutional investors. It provides advice to the pooled investment vehicles based on specific investment objectives and strategies surrounding investments in U.S. listed equities and derivatives.</p>
<p>MST Capital Pty Ltd</p>	<p>MST Capital Pty Ltd ("MST") is the Australian based investment manager of the MST Global Master Fund (Fund) which employs an Asian focused global macro strategy to achieve its aim of strong consistent risk adjusted returns. The Fund is currently registered with the SEC and is QPAM qualified.</p> <p>MST invests across liquid asset classes (foreign exchange, equities, credit, rates and commodities). MST’s investment process involves two key components – the primary source of alpha generation coming from extensive macro research, analyzing key macro signals; the secondary source comes from asset class expertise, where PMs trade opportunistically within their individual asset class. The eight-person investment management team is complemented by six non-investment business professionals, affording the fund an institutional grade governance foundation supported by strong independent Directors.</p>
<p>Palmerston Capital Management</p>	<p>Palmerston Capital Management LLP is a London based, FCA regulated, hedge fund investment manager founded by Stuart Wain. Palmerston is the manager of the Palmerston Credit Fund, which launched on the 2nd of January 2014, and which is a European focused, credit long/short strategy targeting attractive risk-adjusted returns utilising fundamental top down and bottom up analysis across diversified strategies within liquid credit investment opportunities. Stuart Wain was most recently European Head of Credit Trading at JP Morgan, which he left to establish Palmerston, and is joined by seven experienced industry professionals on both the investment and non-investment sides of the business.</p>

HFSB, Central Court, 25 Southampton Buildings, London WC2A 1AL, Email: info@hfsb.org; Tel: +44 20 3178 2753
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