

Newsletter
October 2013

Dear All,

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

New Signatories

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

- Black River Asset Management (USA)
- Eclectica Asset Management (UK)
- Pine River Capital Management (USA)
- XHE Capital (UK)

Institutional Investor Roundtable in New York

On 23rd October we organised an institutional investor roundtable in New York which was hosted by Investcorp, a Core Supporter of the HFSB, bringing together North American endowments, foundations and pension funds. This event included practical case studies on topics ranging from conflicts embedded in fund documentation, investor risk aggregation challenges, dealing with insider trading allegations, corporate governance and key lessons learnt from the Weaving Capital case.

John Franklin of Investcorp noted "... case studies presented at this roundtable were extremely informative and valuable and investors can derive enormous benefits from such practical sessions. We hope that the HFSB will continue such a useful dialogue with the investor community."

The HFSB would like to take this opportunity to thank Investcorp for their support in hosting this event as well as all the presenters for their informative and interesting presentations.

HFSB in Hong Kong and Singapore

Dame Amelia Fawcett and Thomas Deinet met this month with the HFSB Signatories, Investor Chapter members, Core Supporters, senior regulators, government officials and business leaders in Hong Kong and Singapore to discuss current regulatory developments and update them on the HFSB's global campaign.

Upcoming HFSB Annual North American Stakeholder Event

As previously reported, the HFSB will host its annual North American Stakeholder Forum on 25th November 2013 in New York City, which will also include a roundtable with the participation of the HFSB Signatories, Investor Chapter members and Core Supporters.

The keynote speech will be made by Marc Wyatt, Senior Specialized Examiner, Office of Compliance Inspections and Examinations, U.S. Securities & Exchange Commission.

A separate invitation has already been sent to the HFSB stakeholders. If you have not confirmed your attendance, please do so as soon as possible, as space is limited.

Upcoming Institutional Investor Roundtable in the Nordic Region

The HFSB jointly with Towers Watson, a Core Supporter of the HFSB, will host its second annual Nordic event in Helsinki on 4 December 2013. The event will include a roundtable for institutional investors where practical case studies will be discussed.

Public Speaking in October and November

Thomas Deinet:

- Operational Due Diligence Conference, Princeton Club, New York, 22 October, 2013 (Keynote speaker)
- JP Morgan Alternatives seminar, London 4 November, 2013 (Panellist)
- [Mysis Sophis Hedge Fund Forum](#), London, 14 November 2013 (Keynote speaker)

Dame Amelia Fawcett:

- Bermuda Monetary Authority's International Regulatory Forum (Keynote speaker)
Hamilton, 19 November 2013

The event will cover banking, hedge fund and insurance issues and will also include high-level panel discussions on the continuing evolution of global regulatory initiatives in relation to hedge funds and key developments in the asset management sector.

Industry Recognition for HFSB Chairman

London, 25 October, 2013: [100 Women in Hedge Funds](#) ("100WHF"), a leading non-profit organisation for professionals in the Alternatives industry, held its annual Gala at Kensington Palace, with HRH The Duchess of Cambridge in attendance, in her capacity as an official Patron of 100WHF's philanthropic initiatives. More than 250 leaders from across the alternative investment industry supported this Event. During the evening, The Duchess of Cambridge presented Dame Amelia Fawcett DBE, Chairman of the Hedge Fund Standards Board, with the 2013 100WHF European Industry Leadership Award in recognition of Dame Amelia's services to the financial services industry.

The Financial News has just published its seventh annual editorial pick ([FN100](#)) of the most influential female executives working in European financial markets for 2013. Dame Amelia Fawcett was on the list of FN100 Influential Women 2013.

Standards Corner

HFSB: helping rebuild investor trust

A recent investor survey conducted by the CFA Institute and Edelman has revealed that strong performance alone is no longer enough for investment management professionals to earn investors' trust. Investors say that the most important attributes in building trust are behaviour-related with the top three being: a) transparent and open business practices; b) responsible actions to address an issue or crisis and c) ethical business practices.

The investors recommend that investment managers should, amongst other things, be transparent about their investment processes, risk management and conflict resolution practices, provide regular disclosures and communicate promptly any changes to their investors.

All these aspects are addressed in the Hedge Fund Standards: e.g. Standard 1 covers investment policy and risk disclosure, and requires a manager to make periodic disclosures regarding material developments in the investment strategy, the manager's business and the fund's risk profile to investors (Standard 1.5). This includes changes to investment strategy or risk profile, key staff changes, new or terminated funds or changes to any key service providers. Standard 1.6 addresses investor disclosure of material litigation in which the manager is involved and any material formal regulatory enforcement proceedings against the manager.

The Hedge Fund Standards provide a framework of transparency, integrity and good governance for the hedge fund industry, addressing the concerns highlighted in [the CFA Institute and Edelman study](#) and helping the hedge fund industry rebuild trust.

APPENDIX

<p>Black River Asset Management</p>	<p>Black River Asset Management LLC (Black River) is a global alternative asset management firm providing hedge fund and private equity solutions to institutional investors. Formed in 2003, Black River is an independently managed subsidiary of Cargill, a privately held company and one of the world's largest providers of food, agriculture and industrial products and services. Black River is headquartered in Minneapolis, USA with a well- established global infrastructure. Its track record is built on core competencies in fixed income and equity relative value, commodity and emerging markets trading and investing. Capitalizing on its extensive international network and relationship with Cargill, Black River combines broad perspectives with focused strategies to deliver portfolio diversification and absolute returns. Clients include foundations, pensions, endowments, family offices and other institutional investors.</p>
<p>Eclectica Asset Management</p>	<p>Eclectica Asset Management is a London based Investment Management Firm established by Hugh Hendry in 2005 to acquire the management contract for The Eclectica Fund, a global macro hedge fund which Hugh launched in 2002 whilst he was a partner at Odey Asset Management. Today, alongside The Eclectica Fund, Eclectica manages a second hedge fund, The Eclectica Credit Fund, launched in 2010 and two Eclectica branded UCITS funds (The Eclectica Agriculture Fund was launched in 2007 and the Eclectica Absolute Macro Fund was launched in January 2010). The firm also manages two segregated accounts and acts as a sub adviser to one of the largest alternative '40 Act funds. Total AUM are currently approximately \$1.2bn.</p>
<p>Pine River Capital Management</p>	<p>Pine River Capital Management is a global asset management firm focusing on relative value strategies across a full range of financial markets. Founded in early 2002, Pine River has grown to be a highly respected manager, attracting top talent and making significant investment in research capabilities, operational infrastructure and risk controls. With \$13.6 billion under management and 412 employees globally, the firm provides investment solutions to qualified clients across three actively managed platforms: hedge funds, separate accounts and listed investment vehicles. Pine River is headquartered in Minnetonka, Minnesota, with offices in New York, London, Beijing, Hong Kong, Shenzhen, San Francisco, and Austin.</p>

XHE Capital	XHE Capital LLP is a quantitative investment manager focused on identifying and exploiting anomalies in financial markets. XHE's approach is grounded in both external and proprietary academic research; XHE's Qema model exploits a proprietary discovered equity market anomaly that is an addition to existing academically accepted market anomalies, size, value and momentum. The Firm was launched by 3 Principals in 2013 with broad experience in investment management and finance academia. XHE became authorised by the Financial Conduct Authority and a Hedge Fund Standards Board signatory in October 2013.
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If you would like us to remove you from our mailing list or add your colleagues, please let us know