

## **HFSB PROPOSES TOUGHENING STANDARDS AND ANNOUNCES NEW SIGNATORIES**

1 July 2009

The Hedge Fund Standards Board (HFSB) is proposing changes to its standards on fund administration and redemptions in the light of the financial crisis.

The proposed changes, which are subject to consultation with the industry, would involve introducing new standards requiring fund governing bodies to appoint an independent third party to administer the fund, prepare accounting records and carry out NAV calculations as well as having an independent custodian.

The proposed changes regarding redemptions would place more onerous disclosure requirements on managers regarding possible restrictions on withdrawals.

Antonio Borges, Chairman of the HFSB, said:

“The HFSB standards would already make it very difficult for a Madoff-type scandal to occur but we believe it is right to raise the bar higher in the light of recent events.

“These new standards would help to safeguard investors’ assets and also lead to improvements in the redemption regime for hedge funds.”

Separately NewSmith Asset Management LLP, IKOS, Reech AIM Partners and Rose & Sky Investments are among 12 new managers who become signatories to the standards, bringing the total to 56 hedge fund managers.

The full list of new signatories is Auriel Capital Management LLP, Finisterre Capital LLP, Gramercy Advisors, IKOS, Nau Capital, NewSmith Asset Management LLP, Northwest Investment Management, Powe Capital Management LLP, Prana Capital LLP, Reech AIM Partners LLP, Rose & Sky Investments (Cayman) Ltd, and VCM Fund Management LLP.

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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 56 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](http://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, former 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