



*Newsletter*  
*June 2011*

Dear All,

We are delighted to update you on the latest developments at the HFSB since our last communication in December 2010.

The most important news is of course the appointment of our new chairman, [Dame Amelia Fawcett](#). We are very lucky to have found such a distinguished figure to take the HFSB on to the next stage. She officially starts her new role on 1 July 2011.

Dame Amelia is also Non-Executive Chairman of the Guardian Media Group plc, a Non-Executive Director of State Street Corporation in Boston and Chairman of its Risk & Capital Committee and a Non-Executive Director of Investment AB Kinnevik in Stockholm. Until July 2010 she was Chairman of Pensions First, and prior to that she held senior roles at Morgan Stanley. Between 2004 and 2009, Dame Amelia was a member of the Court of Directors of the Bank of England. In 2002 she was awarded a CBE and in 2010 she was awarded a DBE, in both instances for services to the finance industry. She is also a Governor of the London Business School and a Fulbright Commissioner.

We would like to take this opportunity to express our gratitude to Sir Andrew Large for his leadership and guidance during the interim period. As you will remember from our last Newsletter, Sir Andrew, who had spearheaded the HFSB in 2008, took over as Interim Chairman on 1 December 2010 following the departure of Antonio Borges to the International Monetary Fund in Washington, D.C. Since then the HFSB has made tremendous progress increasing membership of the Investor Chapter and preparing for the public consultation we are planning on the Amendments to the Standards. The HFSB team welcomes Dame Amelia and wishes Sir Andrew the very best.

In line with our mandate to keep the Standards updated and relevant, we have been working on improving the Standards over the last few months. We have also been building up support for the organisation as well as participating in the international regulatory debate. Our main areas of focus have been:

- Amendments to the Standards - Internationalisation: developing the consultation paper
- Investor Chapter: recruiting new members, bringing the total to almost 50, accounting for over USD 210bn in assets invested in hedge funds.
- Core Supporters: major investors and managers have joined as Core Supporters of the HFSB
- Regulatory engagement: HFSB's involvement in the AIFM-Directive process and interaction with IOSCO

### **Amendments to the Hedge Fund Standards**

We have been reviewing the Standards in the last several months with a view to "internationalising" them. We are planning to present our proposals in the form of a consultation document. We will then hold a series of meetings with Signatories and Investor Chapter members to discuss the proposed amendments to the Standards.

We will also hold a broader public consultation with all the stakeholders, including managers, investors and regulators between July and October 2011. Once the amendments are agreed and approved, the managers (HFSB signatories) will be given sufficient time to implement them.

## **Investor Chapter**

Since our last newsletter in December 2010, our Investor Chapter has been gaining momentum. Today we are proud to name the newly joined [IC members](#), including

- Blackstone Alternative Asset Management (USA)
- Crestline Investors, Inc (USA)
- Cube Capital Limited (UK)
- Ferd AS (Norway)
- LAB Limited (Canada)
- Mirabaud & CIE (Switzerland)
- Silver Creek Capital (USA)
- Thalia SA (Group Generali) (Switzerland)

The inaugural sessions of the Investor Chapter were held in January and February 2011 with 57 participants from North America, Europe, Middle East and Asia. Based on the feedback from the investors, the IC members will convene three times a year.

## **Core Supporters**

We would like to express our immense gratitude to our existing [Core Supporters](#) for their ongoing contribution to the HFSB's endeavours and would like to welcome new members of this significant group:

- Albourne Partners (UK)
- Blackstone Alternative Asset Management (USA)
- Corbin Capital (USA)
- Pacific Alternative Asset Management Company (USA)
- Spinnaker Capital Group (UK)

## **HFSB Signatories**

We are pleased to welcome two more managers to our signatory family:

- Capital Fund Management (France)
- Herschel Asset Management (Australia)

## **New Founder**

As many of you know, Gartmore was one of the original Founders of the HFSB and we are immensely grateful for the support they have given us from the very beginning. In April 2011 Gartmore was acquired by Henderson Global Investors. To our delight, in addition to already being a signatory to the HFSB, Henderson Global Investors have also agreed to replace Gartmore as Founder. We are thrilled to welcome them and look forward to working with them in the future.

## **Regulatory engagement**

The HFSB has been actively engaging with policy leaders and regulators globally to help improve outcomes for investors and managers. In the context of the AIFM-Directive, the HFSB has raised awareness of the importance of maintaining open markets and investor access. The Hedge Fund Standards also proved to be a valuable source and a helpful tool when the investor disclosure and risk management sections of the Directive were prepared. The HFSB is pleased to see that its all-embracing collaboration with investors and managers is taken seriously by policy makers, as the Standards are already making a valuable contribution to improving regulation. The HFSB has also responded to the [IOSCO consultation on principles of redemptions](#), where we highlighted the HFSB's own consultation results published in early 2010 on the handling of redemptions and situations of liquidity distress.

## **Public speaking at conferences**

Our Executive Director, Thomas Deinet, has been active in promoting the HFSB endeavours as speaker and panellist at various international conferences and gatherings, including a keynote speech at the Hedge Fund Japan Conference, and panel participation at the HFM Week Breakfast and the Isle of Man conference in London.

*We would like to thank our newly joined Core Supporters and Investor Chapter members for their commitment to the HFSB. We would also like to express our gratitude to our Founders for their continuing support.*

*With best wishes,*

**THE HFSB TEAM**

## APPENDIX

Albourne Partners	Albourne Partners is an independent consultant established in 1994 and advises over 200 of the world's major hedge funds, private equity investors and real assets clients. Albourne Partners' clients have over US\$230bn invested in hedge funds, spread over 2,000 funds. Headquartered in London, they also have offices in San Francisco, Norwalk (Connecticut), Toronto, Munich, Bahrain, Hong Kong, Singapore and Tokyo.
Arrowgrass	Arrowgrass is a London-based USD4bn multi strategy hedge fund. Started in 2008 as a spin-out from Deutsche Bank by Nick Niell and team, Arrowgrass is focused on the corporate debt and equity markets. It operates in London and New York and currently has 105 employees.
Blackstone Alternative Asset Management (BAAM)	BAAM is a hedge funds solutions provider serving many of the world's largest and most sophisticated institutional investors. Clients include sovereign wealth funds, central banks, corporate, public and union pension funds, insurance companies and other institutional investors. These investors look to BAAM to protect their assets through both commingled and custom-tailored investment strategies designed to deliver compelling risk-adjusted returns and mitigate downside risk. BAAM structures portfolios that meet the needs of its clients; assets are invested across a wide range of investment strategies, including broadly diversified, strategy-focused, opportunistic and client-customised funds. AUM totalled \$38.0bn as of March 31, 2011.
Crestline Investors, Inc.	Crestline is a hedge fund of funds manager specialising in providing investors with consistent, low volatility returns with low betas to traditional markets. The Firm's objective is to achieve targeted risk-adjusted total returns over the long term by investing in absolute return strategies. Crestline also is noted as a leading provider of opportunistic investment solutions for clients. For select clients Crestline provides aspects of a strategic partner, incorporating advisory and consulting services. As of May 2011, it has approximately \$6.0bn of AUM, including over \$4.1bn of fund of hedge funds and opportunistic strategy assets.
Corbin Capital Partners	Corbin Capital Partners, L.P. ("Corbin") pursues a hedge fund approach to fund of funds investing. Established in 1984, Corbin is a private partnership, headquartered in New York and a SEC Registered Investment Adviser.
Cube Capital	Founded in 2003, Cube Capital is an independent alternative investment management firm with over US\$1bn in AUM. The company has offices in London, Hong Kong, Shanghai, Beijing, Moscow and Kiev. Its activities are spread across three main platforms: multi-manager hedge funds, single-strategy hedge funds and real estate private equity.
Ferd AS	Ferd is a privately-owned Norwegian industrial and financial group and manages its active long-term ownership of Norwegian companies with international potential, and develops investment management operations that invest in a broad range of financial assets.

LAB Limited	LAB Ltd. was established to run the financial affairs of a Canadian family located in Toronto Canada. LAB invests in alternative investments, including hedge funds and private equity. LAB's portfolios are highly diversified taking into account differing styles, geographic location and currency exposure. The portfolios are managed with strict guidelines and measured by a comprehensive set of performance metrics.
Mirabaud & Cie	Founded in 1819 in Geneva, Mirabaud & Cie, banquiers privés is active on four continents and has an international clientele for its individual advisory and financial services structured in three business lines: private banking (portfolio management, investment advice and services to independent asset managers), asset management (institutional management, fund management and distribution) and intermediation (brokerage, corporate finance and debt capital management). In ten years Mirabaud has tripled its AUM to CHF 25bn at 31 December 2010. With nearly 600 employees, Mirabaud has offices in 13 locations: Geneva, Basel, Zurich, London, Monaco, Paris, Madrid, Barcelona, Luxembourg, Montreal, Dubai, Hong Kong and Auckland.
Pacific Alternative Asset Management Company (PAAMCO)	PAAMCO is an independent fund of hedge funds investment firm dedicated to offering strategic alternative investment solutions to institutional investors worldwide. PAAMCO's clients include large public and private pension plans, foundations, endowments, and financial institutions.
RCM	RCM is a global asset management company providing active investment strategies and operating from six offices—San Francisco, London, Frankfurt, Hong Kong, Tokyo and Sydney - AUM of over \$146bn. As a company of Allianz Global Investors, a pre-eminent global asset management group committed to helping clients achieve sustainable success, RCM offer a distinctive investment philosophy and culture, while benefiting from the scale and substantial resources of its parent; including business support, industry best-practices and financial investment
Silver Creek Capital	Silver Creek is an independent, employee-owned manager of alternative asset portfolios with approximately \$6.5B in AUM (at March 2011). With offices in Seattle, New York and London, Silver Creek has a 16-year history of building an extensive book of liquid hedge fund and private investments. Silver Creek is currently raising capital for a multi-manager multi-strategy investment portfolio as well as a fund dedicated to making opportunistic private credit investments through a series of bespoke investment vehicles.
Spinnaker Capital Group	Spinnaker Capital Group's principal business is Emerging Markets investment management. Its funds invest in all classes of sovereign and corporate securities and related products, across all regions of the Emerging Markets.
Thalia SA (Group Generali)	Thalia SA is the competence centre for hedge fund investing of the Generali Group worldwide. Founded in 2003, Thalia is an alternative asset management company 51% owned by BSI SA (one of the oldest and most reputable banks in Switzerland) and 49% by Generali Investments (Italy). Headquartered in Lugano (Switzerland), the company has offices in Paris and London and employs 24 professionals. Thalia SA has approximately USD 2.5bn AUM (funds of hedge funds) or advisory and offers both off the shelf and private fund of fund solutions.
Unigestion	Unigestion is an independent asset management company managing assets for institutional clients and high net worth families. The company focuses on the management of active strategies spanning the private and public capital markets. Unigestion currently manages assets totalling US\$ 11.5 billion and is based in Geneva with offices in London, Paris, New York, Singapore and Guernsey.