



Newsletter
January 2013

Dear All,

We hope 2013 has started well for you. Below is our January report on the developments at the HFSB.

New Stakeholders

We are delighted to start the New Year by welcoming five new signatories to the HFSB family:

- BlueMountain Capital Management LLC (USA)
- Cerberus Capital Management LP (USA)
- Ellington Management Group LLC (USA)
- Praxient Capital LLP (UK)
- Warwick Capital Partners (UK)

We are equally delighted to welcome one more addition to our Investor Chapter:

- OMERS (Canada)

Rescheduled HFSB Stakeholder Event in New York

We have rescheduled our stakeholder event in New York originally scheduled for 30th October and which was cancelled due to severe weather conditions caused by Superstorm Sandy. The rescheduled event will take place on 22nd February 2013 in New York and bring together managers, investors and investment consultants.

If you would like to attend the event, please contact us.

Regulatory Engagement

The HFSB responded to the [Consultative Document](#) published by the Financial Stability Board on Strengthening Oversight and Regulation of Shadow Banking. Please click here to read the [HFSB response](#).

Public speaking next month

Thomas Deinet will be speaking at the following events in February 2013:

- Nordic Division Seminar, European Pension Fund Investment Forum, 5 February 2013 Stockholm

- Amsterdam Investor Forum, 13 February 2013, Amsterdam

Standards Corner

This month we would like to focus on prevention of market abuse.

Proper market conduct and prevention of market abuse are crucial to maintaining market integrity and overall confidence in financial markets. All market participants have to comply with relevant laws and regulations applicable to the markets they invest in. The Hedge Fund Standards cover prevention of market abuse in the “Shareholder Conduct” section and focus on the internal compliance arrangements, designed to identify, detect and prevent breaches of market abuse laws and regulations. A sound approach might include a dedicated compliance officer, documentation of all compliance procedures and compliance incidents in line with regulatory requirements; providing adequate training and education for investment management and other staff, and provision of regular compliance reports to the fund governing body.

The Guidance to these Standards provides examples of specific procedures, including restricted lists (stocks that cannot be traded), documentation of arrangements with other parties (e.g. other managers), and policies to restrict dissemination of material non-public information.

Please read [Standard 23](#) to learn more about prevention of market abuse.

APPENDIX

BlueMountain Capital Management LLC

BlueMountain Capital Management, LLC is an investment firm focused on the global credit markets and equity derivatives markets. BlueMountain, founded in 2003, is led by a senior and experienced management team of the following eight Managing Partners who work together in close collaboration: Andrew Feldstein, Alan Gerstein, Peter Greatrex, Michael Liberman, Bryce Markus, David Rubenstein, Stephen Siderow and Derek Smith. The firm has been SEC-registered since its inception and is QPAM qualified. BlueMountain’s investment approach integrates fundamental company research, advanced quantitative methods and market and product knowledge. Its investment strategies range from highly fundamental to nearly pure arbitrage.

Cerberus Capital Management LP

Founded in 1992, Cerberus Capital Management, LP, along with its affiliates, is one of the world's largest private investment firms with approximately 420 employees worldwide and approximately \$21.7 billion under management in funds and accounts. Cerberus's team of investment and operations professionals focuses on four principal investment strategies: distressed private equity, distressed securities & assets, lending, and distressed real estate. Cerberus is headquartered in New York City with affiliate and/or advisory offices in the United States, Europe and Asia.

Ellington Management Group LLC

Ellington Management Group was founded in 1994 by Michael Vranos. The firm manages portfolios of agency and non-agency residential mortgage-backed securities and opportunistically invests in other target assets, such as commercial mortgage loans, commercial mortgage-backed securities, mortgage-related derivatives and other

	asset-backed securities. Ellington also utilizes systematic strategies to invest in equities markets. The firm is based in Old Greenwich, Connecticut.
OMERS	<p>OMERS is one of Canada’s leading pension plans, managing a diversified portfolio of stock and bonds as well as real estate, infrastructure and private equity investments. OMERS was established in 1962 and continues today as a multi-employer defined benefit pension plan(the “Plan”) whose members consist primarily of employees of Ontario municipalities, local boards, public utilities and non teaching school board staff .</p> <p>The Plan is governed by the OMERS Act and is registered with the Financial Services Commission of Ontario and the Canada Revenue Agency.</p>
Praxient Capital LLP	Praxient Capital LLP was founded by Lloyd Chamberlain in 2007 and is both FSA authorised and SEC registered. The firm follows an event-value strategy, investing across the capital structure in public European small and mid-cap companies, with a bias towards situations where we expect hard events to close the gap between market value and intrinsic value.
Warwick Capital Partners	Warwick Capital is a London-based hedge fund manager specialising in European distressed and special situations credit investments. Warwick’s approach and investment philosophy seeks to achieve absolute returns at all points in the economic cycle. Warwick focuses on complex and misunderstood situations, exploiting market inefficiencies and catalysts to capture superior risk-adjusted returns through a differentiated portfolio. Warwick Capital Partners is regulated and authorised by the FSA.

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If you would like us to remove you from our mailing list or add your colleagues, please let us know