

**Newsletter**

March 2015

Dear All,

Below is our March report.

**HFSB launches a new consultation**

As reported in the latest [HFSB press release](#), the HFSB has launched a new consultation paper (CP4) on amendments to the Standards in the area of conflicts of interest. The latest amendments are intended to improve disclosure of conflicts of interest to investors, specifically disclosure of managers' trade allocation policies to investors and strengthening of internal compliance procedures.

The new amendments were proposed by the working group put together by the HFSB following its announcement in the December 2014 newsletter. The working group consisted of an international group of managers and institutional investors.

In line with the HFSB's mandate to update the Standards from time to time, this is the fourth time the HFSB has amended its Standards since their initial publication in 2008.

The new consultation will run until 12<sup>th</sup> June 2015. The HFSB is inviting all stakeholders and other interested parties to review CP4 and send any feedback to us by 12<sup>th</sup> June 2015. [You can download CP4 here](#).

**New HFSB Trustees**

The HFSB elected Bruce Cundick, Chief Investment Officer of Utah Retirement Systems (URS) and Dale West, Senior Managing Director of Teacher Retirement System of Texas (TRS), to the Board.

On his appointment, Bruce Cundick said: "URS has been a member of the HFSB Investor Chapter for several years and I am looking forward to playing a more active role in the HFSB."

Dale West commented: "It is a great opportunity for TRS to be represented within the hedge fund industry and participate in the dialogue for better alignment of interests between investors and hedge fund managers."

Dame Amelia Fawcett, Chairman of the HFSB said: "We are delighted to welcome Bruce Cundick and Dale West to the Board, where we will benefit immensely from their significant experience and expertise. The increasing support from major US investors for the HFSB, such as URS and TRS, reinforces the HFSB's important mission of promoting better standards in the hedge fund industry."

To read the press release in full, [please click here](#).

**Institutional Investor Roundtables in Hong Kong**

The HFSB held its first Institutional Investor Roundtable in Hong Kong. The opening address was made by Mr James Shipton, Executive Director and Member of the Securities and Futures Commission of Hong Kong. He highlighted the challenges of changing the culture in companies in the financial industry. He also reminded

**New Signatory**

The HFSB is delighted to welcome new additions to its signatory family:

- **Eagle Trading Systems Inc. (USA)**
- **Duet Asset Management Ltd (UK)**

the audience of the Hong Kong SFC [General Principles](#) which set out the fundamentals of good business conduct. He also noted that improvements in culture cannot be achieved through rules alone, and that the industry needs to take a proactive approach in addressing emerging issues. This is why what the HFSB does is so important.

Other speakers included senior representatives from PAG, PAAMCO and CQS Hong Kong. The panellists touched upon a number of issues, including fund governance and managing conflicts of interest.

This event was co-hosted by UBS Hong Kong. The HFSB would like to thank the UBS team in Hong Kong for their tremendous support and hospitality demonstrated before and during the event.

### Upcoming events:

Next month, the HFSB will continue its Institutional Investor Roundtables series:

- Institutional Investor Roundtable, Shanghai, 1 April 2015

The HFSB also will hold conflicts of interest workshops in the following cities:

- New York, 27 April 2015
- Montreal, 28 April 2015

The next European event will be in London:

- Annual General Assembly & Institutional Investor Roundtable, London, 13 May 2015.

## APPENDIX

### Eagle Trading Systems Inc.

Eagle Trading Systems Inc. has \$1.4bn under management in the systematic Global Macro space with 40 employees. Although the approach is entirely systematic, it is unique in many ways because it uses behavioral trading rules based upon the over 20 years of experience of a discretionary macro manager.

Eagle was founded in 1993 by their Chairman, CEO and President Menachem Sternberg, who was a Senior Trader at Commodities Corporation and also worked at Caxton and managed all of the Caxton portfolios for one year when Bruce Kovner was on sabbatical. Many of the firm's strategies have historically helped pension plans, endowments & foundations, family offices and other investors change their portfolio return pattern in a broad range of rising/falling markets/betas to a V-shape so that the portfolio still maintains its upside capture, but that is supplemented by historically negatively correlated (positive) returns in falling markets.

### Duet Asset Management Ltd

Duet Group is a global alternative asset manager co-founded by Henry Gabay in 2002. As of 31 March 2015, it manages over US\$5.5bn of equity across three business areas: Hedge/Long-Only Funds, Private Equity and Real Estate. Of this US\$5.5bn, US\$1.9bn is constituted of Hedge/Long only assets. Since its inception, the firm has shown consistent growth of assets, and has developed an established portfolio of products in areas of growing importance within the investing community, notably within Frontier and Emerging Markets.

Duet Group has 75 professionals employed across offices in London, New York, Dubai, Mumbai, Delhi and Accra. Currently 70% of the firm's assets are managed on behalf of institutional investors such as Pension Funds, Investment Banks, Insurance Companies and Sovereign Wealth Funds.

Duet Asset Management Limited is dedicated to managing assets through liquid funds across a wide range of both traditional and alternative strategies including Commodities, Global Long/Short Equities, Equity Income, and dedicated Frontier Markets Equity Funds, notably in Africa.