



## **Best start to a year in almost a decade**

Hedge funds have delivered strong gains for the 2009 year-to-date, providing further evidence of their recovery after the losses experienced in 2008 and making this the best start to a year for hedge funds in almost a decade. Returns have been driven largely by traditional strategies, including convertible arbitrage (fixed income and emerging market), long / short equity and multi-strategy.

– **Hedgeworld / Reuters, FT.com, August 2009**

## **Hedge funds hiring again**

Hedge funds are hiring again and snapping up some of the most talented managers dislodged while companies struggled through the credit crisis. According to *Alpha Search Advisory Partners*; the volume of job placements is up threefold from the first quarter of 2009. Activity has increased in particular in distressed debt and credit, long / short equity and global macro specialists. – **Hedgeworld / Reuters, August 2009**

## **Trend towards increased hedge fund allocations**

A survey released by a UK-based consultancy, *Penrose Financial*, shows professionals are re-assessing traditional investment and pensions models due to recent market turbulence. The survey of over 150 senior figures showed 74% believe pension funds will increase exposure to hedge funds and / or other asset classes. Further, the survey suggests multi-strategy investment managers, offering both alternative and traditional investments, would prove the most successful, with only 12.5% envisaging such a positive outcome for traditional long-only managers.

– **Hedge Week, August 2009**

## **China shifts investments into hedge funds**

*China Investment Corporation (CIC)*, China's sovereign wealth fund, is continuing to shift

investments away from cash and is investing billions in hedge funds and private equity funds, according to their Chairman, Lou Jiwei.

CIC aims to allocate \$6 billion to hedge funds by the end of the year, with the Chairman noting that they are also investing in funds-of-funds

– **Bloomberg / Business Report, August 2009**

## **UK Railways Pension invests £65 million in funds of hedge funds**

One of the UK's largest pension schemes has invested £65 million in a global long / short equity fund of hedge fund, accounting for 8% of the scheme's £15 billion in assets. Two more of the UK's largest schemes, Universities Superannuation Scheme and West Midlands Local Authority, both plan to proceed with investment in hedge funds. – **Hedgeworld / Reuters, August 2009**

## **Financial Services Authority steps into EU hedge fund spat**

The FSA has commissioned a study of a draft EU law on the regulation of alternative investment managers in an attempt to quantify the impact, implications for markets and investors and potential costs and benefits. The draft law is seen as protectionist, posing obstacles in the way of non-EU funds that may face a loss of business in the EU.

*Alternative Investment Management Association (AIMA)* has welcomed the move with Chief Executive, Andrew Baker stating "*it would be extraordinary if there were no proper assessment at a European level of the impact of a directive that could have extremely wide-ranging consequences*". – **Hedgeworld / Reuters, August 2009**