

# news flash

hedge fund industry

## **G**8 summit leaders remain mute on “tougher” regulation of the hedge fund industry

The G8 leaders made no reference to Germany’s plans for an agreement on tougher regulation on hedge funds during a statement released last month at the G8 summit. Germany had put hedge funds high on the agenda, given its concerns that the rapid growth in hedge funds could destabilise the global financial system.

In the statement, G8 members said that ‘hedge funds have contributed significantly to the efficiency of the financial system. We reconfirm the need to be vigilant on hedge funds and that the relevant authorities should monitor developments and co-operate among themselves’.

## **U**S opposes proposals for voluntary hedge fund code

The US has “thrown cold water” on Europe’s big compromise idea of a voluntary code of conduct for hedge funds. The US Treasury is concerned that the code will include an element of enforcement, which seems “at odds with a voluntary code” – says Robert Steel (Under Secretary of Domestic Finance at US Treasury – Alphaville: 18 June 2007).

## **M**ore hedge fund listings

- **First US hedge fund to list on London Stock Exchange** - Third Point Capital, with \$7bn under management, last month announced plans to list in London. They will become the first US hedge fund manager to list on the London Stock Exchange.
- **First “pure play” hedge fund manager to list on New York Stock Exchange** - GLG Partners, the third largest hedge fund manager in Europe with approximately \$17 billion under management, is to list on Wall Street. They will be the first hedge fund-only business to list, following the Fortress and Blackstone listings earlier this year – both of whom also have large private equity businesses.

## **M**ore consolidation – BlackRock buys Quellos for \$1.7 billion

US asset manager, BlackRock has agreed to acquire the business of the Quellos Group for \$1.7 billion. Quellos is a hybrid business with fund of hedge funds, private equity and real estate funds. The new fund of hedge funds business unit will be called BlackRock Alternative Advisor. This follows after BlackRock bought Merrill Lynch Asset Management last year.

## **C**onsultants positive about the future growth of hedge funds

At a recent hedge fund round-table organized by Pensions Management, experts agreed institutional demand was accelerating. Two of the attendees were consultants and both very upbeat on the future of the hedge fund industry – (Financial Times: 11 June 2007).

*“In terms of growth, it is accelerating already. In fact it is snowballing “  
- Yusuf Samad (Hewitt Investment Consulting).*

*“We’ve definitely seen an increased acceptance of hedge funds as a way of investing for pension schemes”  
- Des Hogan (Liability Solutions).*

