

The NED

Independent intelligence on fund director issues

Issue 30 • February 2014

Withering attack on US hedge fund partnerships

The problems of investing in US hedge fund partnerships has been laid bare. "Hedge Funds: Problems under the Hood," written by Gerald Kerner, Stanley Druckenmiller's lawyer, documents the dangers that befall investors that use these structures.

The NED believes that Kerner's paper is the most important contribution to the global alternative governance debate in years – and could have a similar effect on US partnership structures, in terms of improving their governance, as the Weaving judgment had on offshore funds. In the absence of any board structure many general partners take advantage of their investors.

Kerner's conclusion is that only people with Druckenmiller's and his experience should invest in US partnerships: they can spot the dangers and thereby avoid being short changed – or worse. Kerner has read more private placement memoranda and limited partnership agreements than most. He has been Stanley Druckenmiller's lawyer for more than 17 years. Stanley Druckenmiller is the former chief strategist to George Soros and then managed one of the top-performing hedge funds at Duquesne Capital Management.

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NED Remuneration Survey: Invitation to participate

The NED is conducting the first survey of remuneration of non-executive fund directors, focussing primarily on alternative funds. This survey will address the following:

- **Remuneration levels by fund categories**
- **Remuneration levels by fund domiciles**
- **Highest & lowest remuneration by fund category and domicile**
- **The views of investors & managers (including whether or not directors on the same board are paid the same rate)**
- **Director insurance rates**

The results of this survey will only be made available to NED subscribers and survey participants. Subscribers and others interested in participating are encouraged to make contact with The NED. Please e-mail Simeon Williams williams@ifiglobal.com

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Companies and Associations mentioned in this issue:

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CIMA	MPL
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