

# The NED

Independent intelligence on fund director issues

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## Predictions for 2015

As is now traditional, The NED has dusted down its crystal ball to give readers a look at likely trends in fund governance this year, and possibly beyond. This year The NED's crystal ball has identified three developing trends.



### **Trend 1: The emerging dominance of large professional director organisations**

In future The NED will be tracking the development of professional director organisations on a regular basis. It is hoped that this monitoring service will be used by the alternative fund industry at large to follow evolution of professional director organisations around. As we start this process we make the following prediction: it will be the larger, established organisations that achieve the most growth, in both absolute and relative terms, over the coming years. [Continued on page 9 >>](#)

## Weaving: the final chapter

Weaving founder Magnus Peterson has been sentenced to 13 years in prison in the UK. The judgement against the directors of the Weaving Macro Fixed Income Fund in Cayman in 2011 was a seminal moment for the offshore fund director business.

When handing down the sentence the Judge, Andrew Smith, said that in his management of Weaving Peterson had been clever, dishonest and sophisticated. "You are articulate and have charm. This apparently fooled those with whom you dealt into trusting you," he added.

The SFO (Serious Fraud Office) in the UK undertook a six year investigation into the collapse of Weaving, which was supposed to have been a low-risk fund. Losses were covered up in interest rate swaps which turned out to be near worthless. "The loss to investors was vast and was compounded by the defendant's continued deception as to the true health of their investments," said Jane de Lozey, the SFO's head of fraud.

The judgement in Cayman against the directors of the Weaving Macro Fixed Income Fund was ground-breaking in its severity. It had repercussions with directors around the world, not just in Cayman. Stefan Peterson and Hans Ekstrom, directors of the fund, were found to be guilty of "wilful neglect or default" by a court in Cayman in exercising their supervisory powers as directors of this fund. They were fined \$111 million.

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AOI	San Bernardino County Employees' Retirement
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CIMA	South Carolina Retirement Systems
Duff & Phelps	State Board of Administration of Florida
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