THE GREENWICH Roundtable Letter

KNOWLEDGE, VERACITY, FELLOWSHIP

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MR. STORRS GOES TO WASHINGTON

By Stephen McMenamin

Frank Capra's classic Mr. Smith Goes to Washington is the tale of a wide eyed Jimmy Stewart, an idealist who quotes Jefferson and Lincoln. He is installed as a senator by power brokers as someone who "won't talk out of turn." Jimmy goes on to buck the establishment and make a difference.

Although we were encouraged to go to Washington for more altruistic, less sinister reasons, we quickly discovered that this town is a marketplace for ideas. Here policymakers pick the best. They embraced us on the strength of our ideas and the reputation of our membership.

This is the third year the External Affairs Committee (EAC) has traveled to Washington, Hartford and New York and this year to London to meet with policymakers. Chairman David Storrs led those meetings with a friendly dispassionate manner that comes from someone who has spent over 30 years as an investor. Once Best Practices was published, policymakers started calling. And we promised to send our gray-hairs…the EAC.

David Storrs, Ed Barksdale and Mark Cassella met in August with senior staff of the U.S Treasury that included Undersecretary for Domestic Affairs, Bob Steel as well as a meeting at the White House Council of Economic Advisors with Bryan Corbett. We emphasized the need for investor education and they expressed concern over investors leveraging their hedge fund holdings. They also met with Fed governor Kevin Warsh who asked some nuanced questions on manager selection.

Three weeks later, David Storrs, Ray Dalio, and Aleks Weiler met with Fed chairman Ben Bernanke and his senior research staff. The chairman recognized the GR as doing important and respected work. He asked Aleks about the methodology in writing *Best Practices.* Aleks noted that investing is hard work and not straightforward. He observed that portfolios can be highly leveraged, replete with illiquid and hard to value securities. Instruments and operations are highly complex. The chairman encouraged the GR to publish "15 points" for investors…similar in purpose to AIMR standards. Steve McMenamin encouraged the chairman to use his bully pulpit to advocate investor education. Ray observed that his research offered him little insight into the outcome of the sub-prime sell off. Bernanke replied that the Fed's supervision of the banks gave them a lot of insight into systemic issues and recognized Bridgewater as a high integrity manager.

After Labor Day, David Storrs, Bill McCauley and Kevin O'Brien met with senior research staff at the NY Fed. In the longest meeting to date, Fed staff engaged Kevin, Bill and David in a stimulating and detailed discussion on leverage, valuation, counterparty, liquidity and risk management issues.

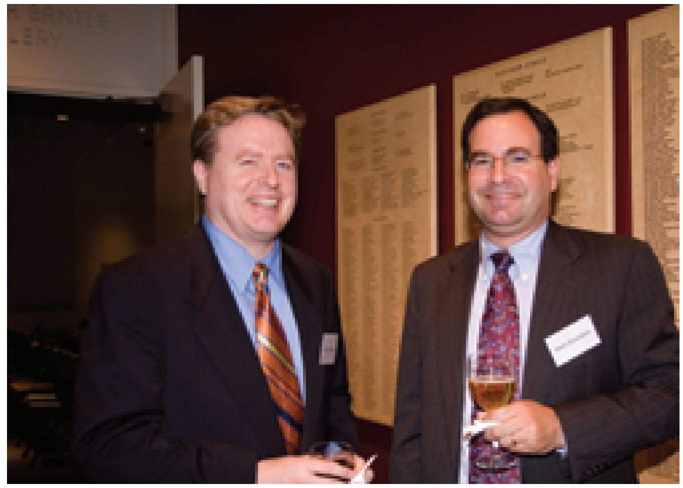
After that, David Storrs, Bill McCauley and I met with a packed house of SEC directors from the Risk and Investment Management Divisions as well as a private meeting with Commissioner Paul Atkins. We met with Assistant Secretary Bob Campbell and senior ERISA staff at the Department of Labor. Finally the EAC discussed the reality of hedge fund investing with Congresswoman Carolyn Maloney who is the Ranking Member of the Subcommittee on Domestic and International Monetary Policy, Trade and Technology which oversees Federal Reserve interest rate policy.

Lastly, traveling to London armed with a sense of mission, David Storrs met with Sir John Gieve, who is the Bank of England's Deputy Governor for Financial Stability. There they discussed the role investor's play. Performing their due diligence on hedge funds, investors are the clearing mechanism for the marketplace. He also stressed the enormous need to educate sophisticated investors. *Caveat emptor* becomes less disturbing when an investor understands the risks.

Many of us prefer to keep our head down and avoid the glare of the press or of regulators. Some of us subscribe to the notion that we've got a good thing going…let's keep it to ourselves. But clearly, our work is respected, our reputation is enhanced and we seem to be helping some very influential people understand our community.

Happenings

Left to right:
Brian Feurtado, Margaret Kelleher, Walter Stratton



Left to right:
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Left to right:
Brunello Nucci, Evan DiPaolo

Left to right:
Lloyd Hascoe, Ted Seides, Frank Brosens

Left to right:
Helmut Weymar, Jon Conner, Jeffrey Silverman, Olive Darragh

May 17, 2007

UNDERWRITTEN BY
RBS Greenwich Capital

Mortgages and Sub-Prime: End of the Beginning or Beginning of the End

Our session titled *Mortgages and Sub-Prime: End of the Beginning or Beginning of the End* is an emergency session we pulled together to examine the impact and the opportunity if any from the fall of mortgages. Andy Davidson is the quintessential expert who runs a research service as well as a hedge fund in the mortgage markets. Brian Peters is the well-informed regulator who offered context and a prognosis even though the dust has not yet settled. Greg Jacobs is a seasoned relative value hedge fund manager who focuses on asset backed assets. Bill Gallagher is the chief credit officer for RBS Greenwich Capital. Bill moderated today's Roundtable with the insight of someone who measures risk and opportunity across many different credit markets. He offered these observations. Managers who shorted ABX derivatives betting on falling credit quality made a lot of money. New Century hit the wall quickly as their sub prime borrowers could not make their first payments. This correction was fast and violent. The 2006 vintage is also experiencing high delinquency rates and prices have dropped. Since then the mortgage market has settled and margins have widened to 1000 bps over treasuries. Sub-prime origination is down 65%. It's not a good business. bill.gallagher@rbsgc.com

Andrew Davidson, Vectors Research Management LLC

We've had credit meltdowns in 1989, 1998, and 2007. We saw interest rate and prepayment meltdowns in 1981, 1987, 1994, and 2003. There is nothing new except what's been forgotten. Due to its size and complexity, disruptions in the mortgage markets are inevitable. What happened? The mortgage market stopped working because it was too easy to hide the risks. Investors got hurt because they ignored or didn't monitor the risks. Structure finance allowed investors buy yield and ignore risk. Excess global liquidity channeled money into mortgages through the CDO market. Wall Street and the rating agencies collaborated to create non economic structures which acquired rich assets. By last year every cash investor had exited the market. The major banks stopped originating. Thinly capitalized institutions were the only ones left. Hedge funds quickly put an end to the madness. The credit default swaps and ABX allowed these managers to short overvalued assets. How did it get inflated? Originators ignored the fundamentals of credit analysis… ability to pay and willingness to pay. Borrowers weren't asked to prove their income. If home prices stagnated, borrowers would default. The CDO market assumed diversification by putting all sub primes together. But everything was correlated. The rating agencies claimed they carried the risk but they didn't. Losing reputation is different than losing money. The losses in this market have not been realized yet. Other than the originators, the losses will unfold over time. Some of this money is widely spread. ABX is priced near fair value. There is no distress. There's more liquidity after the crisis than before. There are more investors today than last year. The market went from rich to fair. Sub prime will shrink. Some borrowers are in homes they can't afford. There will be a housing overhang which may put pressure on the economy. Distressed merchandise doesn't seem to be coming. Today's losses are $60-80 billion of a trillion plus market. This was an earnings event not a systemic shock. This is a moderate event which could become a bigger crisis if the overhang of defaults rises. This could create a cascading effect. Going forward, Wall Street mortgage operations will shrink. CDO managers and rating agencies will adapt. Banks will benefit from changes in origination laws. The market will be fairly valued offering some relative value opportunity. The market will move along nicely…until next time. andy@vectorsresearch.com

Left to right: Andrew Davidson, Brian Peters and Greg Jacobs

Brian Peters, Federal Reserve Bank of New York

Hmmm. Meltdown? I'm a regulator. My loss tolerance tends to be much greater than an investors'. You look for silver linings. I look for the dark clouds. Sub prime is a three act play. Act one is just ending. We saw early signs of weakness in the 2005 -06 vintages. Nine percent of all mortgages were sub prime. There were 310,000 foreclosures…up from the average of 230,000. There was an abundance of liquidity which led to indiscriminate buying which led to weak underwriting. Before securitization, lenders had to put these loans on their books. They were disciplined about their underwriting standards because they lived with the defaults.

Then the thinly capitalized brokers vanished after the foreclosures increased. I blame the investors who didn't analyze the quality of the underlying collateral. Shame on you if you relied on the rating agencies. Intense competition for collateral led the CDO managers to lower their credit standards. We saw all the classic end of period behaviors. Interest rates rose, house prices flattened, borrowers began to walk away from their homes, and some fraud appeared which led to the early payments defaults. That activity seems to be slowing. Losses on the 2006 vintage are estimated to be 8-11 percent. In comparison, losses in the 2000 vintage were 7 percent. Most of the defaults from the 2006 vintage will be in the pipeline by November but they won't peak until 2009. Credit supply has declined but not evaporated. Act two is the payment reset risk and the payment shock. Most sub prime resets will be done in 2008 in an environment of tighter credit standards. Many loans may not go into default until after the reset. Workout of these loans is a lot more difficult in this structured environment. Modifications to these pools will be difficult. Servicing agents are already trying to modify these loans. Regulatory agencies sent letters to the servicing agents encouraging them to work with the borrowers…to keep them in their homes. Foreclosures are messy, time consuming and costly. Loan workouts benefit both parties especially if they're economically viable. Then third parties can buy them as a pool. But most of the riskier sub prime collateral was put into CDOs. Act three is deterioration of the underlying sub prime collateral which may cause losses and downgrades in the CDOs. Few CDOs have been downgraded so far. The rating agencies are under pressure to begin this process before the losses flow into the structure. Spreads have widened. Some investors are holding these structures to maturity and have not marked their losses to market. The more levered structures are very sensitive to defaults. A one percent decrease in home prices leads to a 2 percent increase in defaults. The losses won't peak until 2008-9. This is a slow rolling train wreck or a head wind to the investor. Some market participants will be forced to sell which may create liquidity issues. Seller's liquidity will not be as good as it was when they were buyers. Congress sees this as a consumer protection issue. Truth in lending disclosures may be added. It's difficult to predict changes in underwriting standards. It's impossible to tell if it's a systemic problem. This time there wasn't a big loss. Everybody took a little loss. I don't know whether there are pockets of concentration yet. It all depends on home price appreciation and employment. Some of these structures can withstand a degree of stress. Liquidity is good. With better transparency and higher credit standards, this shock may be absorbed well. To gauge future home prices, watch the elasticity of supply. brian.peters@ny.frb.org

Greg Jacobs, Agamas Capital Management LP

Sub prime is in a meltdown stage. Let's take a relative value perspective in this market. There is opportunity. What are the drivers? This market is ripe. Fundamentals are deteriorating. Originators are going under. We have high delinquency rates. Home prices are flat and may fall. Rates are higher. Sub prime collateral is not uniform. It's got warts on it. There are many layers of risk which create uncertainty. The collateral characteristics are complex and unique. We can go long and short in sub prime. There are many market participants. New products create a lot of relative value possibility. The ABX indices have created good benchmarks. Valuations were rich. The indices collapsed. But selling stopped. The shorts are covering and the rally is technical. Managers realized losses will happen in the future. Origination and lending gimmicks stopped. Credit discipline took hold. In the future, good collateral will trade at tight spreads. The 2006 vintages with all their problems will trade with wide spreads. If home prices fall further then sub prime losses will rise significantly. This creates opportunity. There will be a decline in home ownership. This will put pressure on home prices. Keep an eye on the Case-Shiller index. Loss mitigation will be important going forward. Servicers can put defaulted lenders into foreclosure or modify the loans to take a lower loss. If governments try to intervene, buying a pool of distressed loans, investors will benefit. But I don't see much intervention. The media is exaggerating the borrower's innocence. We're not at 20 percent losses, we're at 6-10 percent. Opportunity lies in relative value. There's a lot to do. You can buy one asset in the capital structure and sell another as a hedge. You can generate carry and optionality. There are many instruments to short. The opportunities are more long term. Sub prime trades will be more granular. Deals must be examined in more detail. This requires an understanding of the underlying loans and their problems. This requires expertise to execute the asset and the hedge. This requires more analytical capability. Transactions are more expensive. Spreads are wide. Despite the mess, there are terrific relative value opportunities. greg.jacobs@agamascapital.com

Please join me in expressing our gratitude to RBS Greenwich Capital and Todd Brussel who generously provided the underwriting for today's symposium. RBS Greenwich Capital has a long history of giving back to the community. As the newest member of our Underwriter's Council we selected them for their good deeds and their work to support education for investors. They, like the other 3 members of our Underwriter's Council, believe in "raising the bar." Todd.brussel@rbsgc.com

We're an intellectual cooperative. Please don't forget to work with us. Please send me your comments, complaints, and your ideas.

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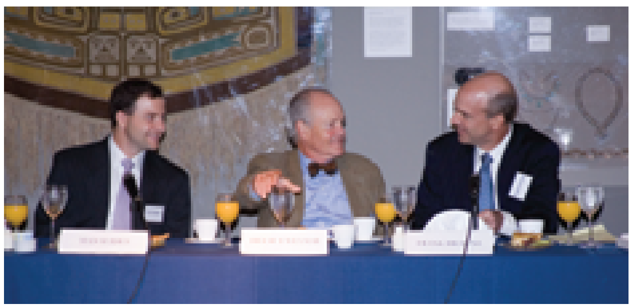
Successful Breeding Grounds: Culture, Mentoring & Investing

Our session titled *Successful Breeding Grounds: Culture, Mentoring, & Investing* was held as we begin to explore what we suspect may be the most important ingredient in a management company. After skill, culture may be the single most important quality that propels a team to greatness. Helmut Weymar co-founded Commodities Corporation in 1970. Frank Brosens co-founded Taconic Capital Partners in 1999 after running Goldman's proprietary trading desk. What Intel was to semiconductors, Commodities Corp was to macro strategies and Goldman was to some of the most successful managers in the business. Ted Seides moderated today's symposium and framed the discussion by asking 'is it nature or nurture that makes a great manager?' This topic is the first installment in a series inspired by Ted whose day job is working as a venture capitalist for hedge funds. ts@protegepartners.com

Frank Brosens, Taconic Capital Advisors

Every year Bob Rubin organizes a reunion of the old arbitrage desk. Eventually we talk about the environment at Goldman Sachs, the qualities that made it unique, the conditions that led to so many spin-offs and the great firms that were built afterwards. These firms are all different from each other. (Frank weaves many interesting anecdotes of his former colleagues throughout his talk) Goldman was different from other Wall Street firms because the decision making process was aligned with the individuals in the organization to the capital that they are representing. At Goldman, it was the partner's money. We understood the two way nature of risk and what could go wrong. We looked at all possible outcomes. Other firms who only look at the one way nature of risk are managing other people's money. Bob Rubin was spectacular. He was willing to spend time with us and support us in a meaningful way. He gave me support on the day after the crash of 1987 and the confidence to be aggressive throughout 1988…our best year. He drove a culture that emphasized mentoring and the willingness to give credit to the people who work for you. It is important for people to get recognition for their effort. Recognition creates pride in their work which leads to better retention. This is essential in creating a culture of teamwork. Creating that culture is an art. The goal is to create an environment that generates tremendous returns through teamwork or combining complimentary skills where you can optimize the decision making process better than any individual. In multistrategy, if you can combine skill sets and encourage people to work together, you can create a tremendous edge. Operating on your own, you're likely to miss a piece of the analysis. When you create individual silos, an eat-what-you-kill mentality, the teamwork begins to erode and behavioral mistakes begin to erupt. Ideally, if people are appraised on the value they bring to the decision-making process and what can go wrong, they feel well treated and their interests are aligned. At Goldman, the individuals making the decisions felt like it was their money. At Taconic, we put a lot of thought into creating a culture of excellence and retention. There is an even distribution of the economics of the entity. Deferred compensation is being used in the industry but we don't use it. For partners, it's not a question of what must be done to hang onto you but rather you feel that over time you will be treated fairly. We don't believe in long lock ups for our investors either. This keeps our feet to the fire to stay meritocratic. Our equity stakes are not set in stone. If I left Taconic my equity would go to zero. There is no capital to sell to a third party. The equity stays with the people who create value for the entity. Thus the decision makers are aligned with the interests of the limited partners. fbrosens@taconiccap.com


Left to right: Ted Seides, Helmut Weymar, Frank Brosens

Helmut Weymar, M.I.T Investment Committee

The culture we started at Commodities Corporation and Frank's culture at Goldman Sachs were very different. We started as a corporation with employees. We started with $2 million in capital from venture capitalists and a half million from Nabisco. Founding employees contributed less than 5% capital. The original concept was to play a speculative role, to apply technology to trading across a number of different markets. By trading across the 13 futures markets and focusing on individual decision makers who specialized in each market, we were diversifying across markets and decision makers. At 70, Amos Hostetter was our guru and my mentor. He had a long successful career speculating in stocks and futures. We started with a mathematically defined risk control system and a focus on research. The setting was extremely informal and we had a first mover advantage. Then our culture was defined by a near death experience. In 1970 we hired a Rutgers plant pathologist to evaluate the corn blight. On his recommendation we were shorting corn until CBS news ran a story and corn exploded up. Our startup capital went from $2.5 million to $900 thousand in one month. Our risk controls did not work. Our venture capitalist wanted to shut us down. Nabisco stuck with us and we survived. We then made discrete allocations to individual traders. We implemented a simple 50% kick-out risk control system. Traders were on their own and could only trade in markets where they had expertise. Then we got lucky. The market environment was good. The seventies were highly inflationary. The markets were trending. There were major moves and new highs in many markets. There was volatility as well. From 1972 to 1980, the average trader return was 85 percent. The kick out system worked well. It went from 50 to 30 percent. Then we refined the environment to become more supportive. We tried to create an ideal culture for traders. Amos Hostetter was a wonderful mentor during that period. We evolved away from specialist to generalist traders. We hired Michael Marcus as our first generalist. Bruce Kovner was hired as Mike's assistant. Our compensation evolved into a system heavily focused on individual performance. But there was a lot of team spirit. Though research was sponsored by individual traders, it was shared by all. But our capital was limited and the spin-offs began. We used deferred compensation for retention and it was huge source of friction. Outside investors began to fund a wave of startups, like Paul Jones, who moved upstairs rather than onto the exchange floors. We decided to keep close ties to the spin-offs, the former CC traders and we evolved into a fund of funds structure. Today the returns have dropped. Our business plan called for 50 percent returns. If we started today that number might be 15 percent. The qualities of a good trader are a package of ambition, intelligence, common sense, and suffering a serious loss. I believe that failure is a wonderful teacher. Also with smart people, there is a natural tendency to fool yourself. Self esteem and the ability to be honest with yourself are important. Traders must have the ability to take a serious risk position and then the ability to take it off. If we had to start over today, I would emphasize mathematics and focus on the least mature markets. I would also emphasize the mentoring process as a way to create an edge. helmut@weymars.com

Please join me in expressing our gratitude to Jim Palermo and DPM Mellon for underwriting today's symposium. Personally speaking, this was one of the most profound sessions I've ever heard. And I've heard many. palermo.jp@mellon.com

July 19, 2007

UNDERWRITTEN BY
Citigroup's Private Bank

The Role of the CIO

Our topic, *The Role of the CIO*, is our first look into the phenomena that can greatly aid the wealth creation process. Alice Handy was one of the first professional investment officers hired to run Virginia's endowment in 1974. Andre Perold is one of the world's leading experts on asset allocation. Larry Kochard runs Georgetown University's endowment after running the hedge fund book at Virginia Retirement System. John Griswold moderated this session with the same intelligent gravitas he brings to the Commonfund Institute. He framed today's discussion by asking the question most investment committees ponder; should we hire a CIO, should we outsource the function or should we make our own decisions? jgriswol@cfund.org

Alice Handy, Investure LLC

UVA was one of the first to use a chief investment officer. In '74 Harvard just formed its management company. Early on we did a little bit of everything because the endowment didn't seem like a full time job. I managed our insurance policies, titled our vehicles and issued travel advances. In the sixties, the investment committee decided which stocks to buy and sell. Independent investment managers were a new concept. In the eighties I managed the treasury, issued debt and managed the real estate holdings. By the nineties I shed those duties and focused on investments. In the early days the investment committee made the decisions. The investment staff monitored those decisions. Then consultants started feeding ideas to the staff. We would identify opportunities for the committee, tee up 3 in a beauty contest and whoever made the best presentation won the pageant. Today endowments are much larger, more important and can be a competitive advantage in hiring professors. My clients get 30 percent of their budget from their endowment. They need a dedicated CIO and staff to manage the myriad of investment options. Diversification into alternatives started to outperform traditional strategies by a wide margin. Performance was coming from talented managers rather than market direction. Due diligence become more important. The committee centric model became impractical. Smaller schools got started with fund of funds and then started hiring a CIO. My business of outsourcing the investment office has grown. The stature of the CIO is rising. The CIO started by fulfilling the wishes of the committee. Today the CIO has responsibility for manager selection and works with the committee on bigger issues such as asset allocation, spending policy and strategic initiatives. The increased responsibility attracted more talented individuals. On the other hand, the position has become commoditized. Turnover is high at the staff and committee level. Institutional memory is declining. Today's CIO has 3 responsibilities to: be an allocator of assets, be able to communicate the process and be able to run a business. The asset allocator role is to a portfolio manager who can size positions, think about risk and how it all comes together. Having weathered many storms I try to avoid mistakes, watch for warning signs and understand the environment. I try to be rational in irrational markets. I worry about the upward trajectory of everything. I try to respond to opportunity rather than follow an asset allocation policy. My staff is talented. I offer them guidance rather than override them. I like concentrated positions with gifted managers. But talent is getting scarce. Quantitative tools are important but a good CIO needs a healthy gut developed by experience. Like a good marriage, I need to communicate my philosophy and overcome differences with the committee. Turnover on the committee can be frustrating though a properly constructed committee is a pure delight. They are the school's conscience and can be a good sounding board. I have a no-surprise policy with my committee. Lastly, running the office as a business is often overlooked but essential. ahandy@investure.com

Left to right: Larry Kochard, John Griswold, Alice Handy and Andre Perold

Andre Perold, Harvard Business School

The primary function of the CIO is getting returns without taking too much risk? With risk, how do you measure it? How do you know how much you're taking? How do you define it? It's a big mistake to think these aren't big issues. The scale and scope of investment opportunities is extraordinary. Global equity market capitalization grew $9 trillion in 1991 to $57 trillion today. Hedge funds, private equity, commodities and real estate offer new opportunities. The growth is unbelievable. Emerging markets went from $1 trillion to $10 trillion. Risk feels different today. What will blow us up is different. The bearers of risk are different too. Global derivatives are valued at $400 trillion. Amaranth blew up and no one noticed. The CIO must make sense of this all. The median endowment can't beat a passive 60-40 index. The median manager doesn't beat the index. Most people don't add value. Not long ago my students asked me to help them get jobs with hedge funds. Today they're asking me to help them start a hedge fund in India during their summer break. It's crazy. A policy portfolio negotiated with the investment committee may not be the best way to manage risk. Risk is always changing. Ideally, when risk is high I back off. When it's low I take more exposure. A risk budget may be more practical than a rigid policy portfolio. You also need to think about changing correlations. In the last seven years, traditional linkages were undone. The correlation benefits of stocks and bonds are better because bonds are negatively correlated today. Foreign stocks are almost perfectly correlated with the US. Emerging markets offer little diversification advantage. Non-US markets are highly volatile. How do you build a portfolio to protect against disaster when everyone wants to outperform? No one wants to give up their upside. The CIO needs to be a steward of the institution and refrain from playing the performance horse race. Everyone can't be above average. Being average is actually a skill. It's an accomplishment to avoid being below average. Most people should buy a world index fund. To make money, the CIO should take a long term perspective, keep your powder dry and wait for others to blow up. How can this happen when CIO's are turning over every three years? Good governance involves protecting the investment staff to make good long term investments. aperold@hbs.edu

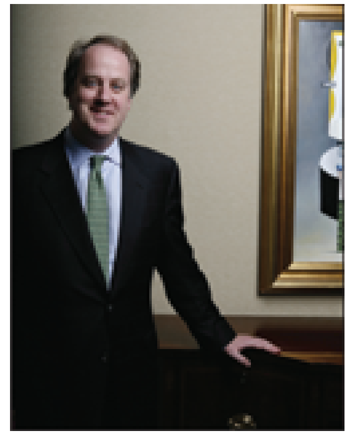
Larry Kochard, Georgetown University

Issues facing pension fund CIO's are bigger and more acute. Corporate plans are moving to defined contribution. Size is an issue. Pension funds have been the biggest pools of capital. Public plans are managing $50 – 200 billion pools where producing above average returns is very difficult. Nancy Everett says outperforming is very difficult as GM rose over $100 billion. Endowments are better suited to create exceptional returns with $10 – 30 billion. Peter Gilbert left PSERS to be the first CIO at Lehigh. Kim Walker left QWEST and joined Washington University. I left VRS for Georgetown because I can make a difference with a smaller pool. Governance is an issue. In theory, pensions are long term pools of capital that can take liquidity risk. In practice, you can get fired after 2 years of underperformance. Public pension boards turn over more frequently. They are more sensitive to their benchmarks and can pull the plug at the wrong time. Endowments are typically better places to take peer risk. Pension committees still try to make decisions. They hold bake-offs organized by the staff and wind up hiring all the contestants because they can't decide. Staffing and compensation is an issue. Endowments offer more pay and less career risk. Endowments have better brands. They attract the most talented managers when they're closed because they're drawn to the school's mission. Pension managers are under the microscope…especially public plans that live in a fish bowl. How many innovative things can you do in that environment? I worry about managers who are unconsciously exposed to the global growth story. lek8@georgetown.edu

Please join me in expressing our eternal gratitude to David Cattrell and the Citi Private Bank who have been quietly supporting our mission. Citi has a deep bench and Dave has been extremely helpful in bringing that talent to the Roundtable. david.cattrell@citigroup.com

All sessions of the GR can be heard on our website. This is a wonderful, convenient way to listen to these talented speakers without straining your eyes or traveling to Greenwich. I urge to you visit www.greenwichroundtable.org to hear firsthand what was discussed.

SPENCER BOGGESS



Bank of America's gain is the Greenwich Roundtable's loss. Spencer Boggess, chairman of the Education Committee has been appointed as Director of Hedge Fund Investments for Bank of America. Previously, Spencer was Portfolio Manager of Excelsior Directional Hedge Fund of Funds and CEO, U.S. Trust Hedge Fund Management. When Bank of America took over U.S. Trust, Spencer was made head of hedge fund instruments for the entire bank. With his new responsibilities and his long commute into New York, Spencer can no longer lead the work of the Education Committee. But his tenure as chairman has been stellar. Under his chairmanship, the Greenwich Roundtable published three *Best Practices in Hedge Fund Investing.* They covered strategies for equity, global macro and CTA, and fixed income and credit. These works have been a major accomplishment of the Greenwich Roundtable and they are due, in large part to Spencer's leadership and the committee members who have worked with him.

Prior to his position at U.S. Trust, Spencer was Co-Director of Research at CTC Consulting, a subsidiary of U.S. Trust and an advisory firm with responsibility for $15 billion in client assets. At CTC Consulting, Spencer shared explicit responsibility for sourcing, due diligence, portfolio construction and monitoring for $1.8 billion in advisory client hedge fund investments. He also co-managed the traditional manager research process, implementing a research database system and overseeing a substantial increase in research personnel. It is easy to see how suited Spencer was to supervise the due diligence process for investors in alternative investments. His understanding and oversight of the *Best Practices* publications made it possible for the committee to execute these excellent publications in record time.

Spencer received his B.A. from the University of Virginia and has done graduate work in Foreign Affairs at the University of Virginia.

We anticipate that Spencer will stay involved with the Greenwich Roundtable. His contribution to the organization's mission of education for investors had been greatly appreciated.

ALEKS WEILER

The Greenwich Roundtable owes a great debt of thanks to Aleks Weiler, Chairman of the *Best Practices Working Group* for the Credit and Fixed Income Strategies publication. As in the case of Spencer Boggess, Aleks was an incredible asset to the Greenwich Roundtable. He managed the many individuals who contributed to the latest *Best Practices* publication by interviewing and working with investors in credit and fixed income and writing many of the chapters. Aleks also modified the Best Practices template to accommodate the more complicated information peculiar to this subject matter.

Aleks is now a Portfolio Strategist with Weyerhaeuser Asset Management LLC. He is responsible for hedge fund investments across the firm's U.S. and Canadian plans with a total of $6 billion in assets. Most recently, Aleks was a member of Tremont Capital Management's Investment Committee and worked as the Investment Strategist and Head of Quantitative Research developing model portfolios, researching hedge fund return characteristics, building the second generation strategy infrastructure and overseeing asset allocation across the firm's $5 billion of fund of hedge funds.

Before joining Tremont, he spent six years on the sell-side in Canada. He was a Eurobond Trader at TD Securities in Toronto where he made markets and provided sales coverage on corporate and supranational debt securities issued in various developed and emerging market currencies.

Aleks is a graduate with Honors from Queen's University in Canada with a Bachelor of Arts in Economics and History. We will miss Aleks' wise counsel but wish him much happiness and success in his new endeavor.

Fall Symposia (morning sessions) and Founders Council (evening sessions)

As last minute changes do occur, our schedule can change at a moment's notice. Below is a tentative list of dates. Do not plan on being at the Museum without receiving an invitation. RSVP@GreenwichRoundtable.org

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October 18

November 15

Founder's Council - December 6

December 13

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The Greenwich Roundtable

Box 4019, Greenwich CT 06831

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