

Cream of the crop announced in our European Fund of Hedge Funds Awards

The judging panel has decided on the shortlist for *Hedge Funds Review's* annual fund of hedge funds awards, the European Hedge Fund of Funds Awards 2007, and present them below. The panel congratulates all funds of funds shortlisted, and looks forward to meeting you on 14 November at the awards ceremony at London's Royal Horticultural Halls. For further details on the event, and how to book tables contact Ben Cronin on +44 (0) 207 484 9735, or email him at ben.cronin@incisivemedia.com, or log onto www.hedgefundsreview.com/awards.

BEST LONG-TERM ACHIEVEMENT IN DIVERSIFIED FoHF (OVER 10 YEARS)

Aurum Investor Fund – USD
 GAM Diversity USD
 GEMS Low Volatility Portfolio – Regular USD Shares
 Momentum AllWeather Fund
 Olympia Star I (USD) Class
 Stenham Universal Portfolio
 Xiphias Investissement

BEST-PERFORMING DIVERSIFIED FoHF OVER THREE YEARS ON A RISK/RETURN BASIS

CMA Multi-Hedge Class A Arbitrage
 Liongate Multi-Strategy Fund
 Mellon Sanctuary Fund II – US\$ Share Class
 Momentum AllWeather Fund
 Solar A Global Strategy

BEST-PERFORMING DIVERSIFIED FoHF OVER ONE YEAR ON A RISK/RETURN BASIS

CPO II
 Culross Global H Fund
 GEMS Multi Strategy SP1
 Mellon Sanctuary Fund II – US\$ Share Class

BEST LONG-TERM ACHIEVEMENT IN SPECIALIST FoHF (OVER 10 YEARS)

First European Growth USD Class
 GAM Trading USD Open
 HDF Global Opportunities
 Stenham Trading Portfolio

BEST-PERFORMING SPECIALIST FoHF OVER THREE YEARS ON A RISK/RETURN BASIS

GEMS Recovery
 io Defensive Equity Fund USD I
 Key Recovery
 Stenham Growth Portfolio
 The Discovery Fund

BEST-PERFORMING SPECIALIST FoHF OVER ONE YEAR ON A RISK/RETURN BASIS

Aurum Eagle Fund
 Eden Rock Structured Finance Fund
 io Defensive Equity Fund USD I
 Mont Blanc Select USD
 The Discovery Fund

BEST PERFORMING FUND OF ENERGY/COMMODITY FUNDS

Fitzwilliam Commodity Plus
 GAM Multi-Commodities
 Opus Commodities Fund (Class A)

BEST EUROPEAN HNW/RETAIL FoHF PRODUCT PROVIDER

Aurum Funds Ltd
 CrossBorder Capital
 Nedgroup

BEST EUROPEAN INSTITUTIONAL FoHF PRODUCT PROVIDER

GAM
 Gottex Fund Management
 HSBC Alternative Investments
 IAM
 Key Asset Management
 New Finance Capital LLP
 UBP

BEST NEWCOMER FoHF (FUND INCEPTION 2 JULY 2006 OR LATER)

47 Degrees North New Generation 1848 Fund LP
 Gottex ABI Fund (USD)
 Liongate Select Fund
 Mont Blanc Select

BEST PERFORMING LEVERAGED PRODUCT ON A RISK/RETURN BASIS

Albemarle Geared Fund S Share Class
 CMA Multi-Hedge Class E Leveraged Fund
 GEMS Multi Strategy x2
 HSBC Leveraged GH Fund
 Key Europe Triple

BEST PERFORMING FUND OF EMERGING MANAGER FUNDS

Barracuda BlueSpring Fund (CHF)
 Select Opportunities Fund

BEST PERFORMING IN-HOUSE FUND OF FUNDS

Gartmore AlphaGen Perseus Class A USD
 Old Mutual Spectrum Fund
 RAB Multi-Strategy

MOST INNOVATIVE FUND OF FUNDS PRODUCT

47 Degrees North New Generation 1848 Fund LP
 CMA Global Hedge PCC Ltd
 Comas Global Alternatives Fund
 Gottex ABI Fund (USD)
 Principal Absolute Alpha Portfolio IC

BEST SEEDING PLATFORM

Arundel Iveagh
 Fortune Asset Management
 Ivy Asset Management
 Man Group
 Weston Atlas Partners Fund

BEST GROUP

GAM
 Gottex Fund Management
 HDF Finance
 HSBC Alternative Investments
 IAM
 Liongate Capital

BEST MANAGED ACCOUNT PLATFORM

To be announced on the night

BEST OVERALL INVESTMENT PLATFORM

HFR
 Lyxor
 X-markets hedge fund platform

LONG-TERM ACHIEVEMENT IN FoHF

To be announced on the night

BEST STRUCTURED PRODUCT HOUSE

Commerzbank
 Credit Suisse
 Gottex Fund Management
 Man Investments
 Matrix Group
 Societe Generale

The judging process in focus

Nearly 250 funds of hedge funds, comprising these awards' largest ever entry list, were put under the microscope by the judges for their investment process and methodology, assets under management, the applicants' approach to investment and what the judges felt set them apart. As well as examining this a quantitative screen was run on figures provided by the managers, generating metrics such as drawdowns, volatility, Sharpe and returns over largest drawdown. The funds of hedge funds in each category were ranked first and foremost on four key measurements. These were: their return over downside volatility; their alpha; their Sharpe ratio; and their return over the worst month's return. The aggregate ranking drawn from these four ordered the funds.

The highest ranking on any one metric was not decisive – indeed, the combined ranking was not decisive either where maybe a fund of hedge funds stood out below the number one contender for particular reasons. For the leveraged fund of hedge funds category the judges paid particular attention to control of risk, and of volatility over the one year under consideration. For more qualitative categories, robust debate was had, as the judges analysed the entries against the criteria.

Although August and September fell just beyond the official end of the judging period for all quantitative awards, the judges took into special regard August, to ensure funds worthy of an award or shortlist in more benign market conditions had also coped with more difficult market terrain.

While familiar names that reappear each year did so again in 2007, this year was arguably memorable also for the newcomers and mid-sized funds of hedge funds that had performed in what were often trying conditions for providers' funds of hedge funds products.

For the more quantitative categories debate was entered into by the judges. For the high net worth provision category judges looked for the type of hallmarks typical of excellence in retail products – reporting, returns with acceptable risk controls, innovation and a breadth of products to choose from. For the institutional provider award the judges looked for breadth of offering, institutional-strength risk controls and operations, and a clear commitment to this segment of the investor market-place.

Hedge Funds Review would like to thank the judges for their time and effort in generating data and coming to decisions, and also to thank all the funds of hedge funds that entered.



Yes, we are picky.

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