



Financial Research Associates, LLC & The Hedge Fund Business Operations Association Proudly Present

Packed with
Practical
Examples

The 6th

Hedge Fund

Accounting & Administration Forum 2008

For CFOs, COOS, Accountants,
Controllers, and Auditors of Hedge Fund
and Fund of Fund Firms

2008

Forum Highlights:

- Learn how funds are handling **post-FAS 157** challenges and implementation requirements
- Carefully explore **new accounting pronouncements** for financial reporting and external audits
- Discover **investors' top criteria** when examining hedge funds
- Examine **practical examples of valuation practices** funds are using to comply with fair value measurements
- Find out how to avoid common pitfalls when **preparing for your fund's audit**
- Get an inside look at **SEC priority issues** for HF audits
- Take away practical advice for maximizing opportunities when using **off-shore funds**
- Learn what the SEC's expectations are for your fund's **record-keeping standards and practices**
- Discover effective due diligence practices for **managing operational risk**
- Learn how investors evaluate **complex valuation procedures** across a diverse industry

July 21-22, 2008

The Harvard Club
New York, NY

Earn CPE Credits

To Register: Call 800-280-8440 or visit us at www.frallc.com



Top Minds in Industry Convene to Provide Guidance to Hedge Funds

Increased regulatory oversight, increased investor demand for greater transparency, and an unprecedented crisis in the credit markets brings industry leaders together. In its sixth run, FRA's industry-leading, Hedge Fund Accounting & Administration Forum is designed to make plain what hedge funds and fund of funds need to do to comply with new regulations, improve internal controls, and mitigate their exposure to risk.

Packed with Practical Examples

CFOs, COOs, CCOs from leading hedge funds and fund of hedge funds are meeting together with top regulatory, accounting, tax, and administration experts at the 2008 Forum. Forum topics will include:

Loaded with Effective Tips & Techniques

- ♦ New accounting pronouncements
- ♦ Audit procedures and requirements for satisfying investors, auditors, and regulators
- ♦ Processes & procedures for tackling financial reporting challenges
- ♦ Effective practices for performing operational due diligence
- ♦ Valuation best practices for dominant financial instruments under FAS157
- ♦ Day-to-day fund administration best practices
- ♦ Fund administration outsourcing trends
- ♦ Regulator hot buttons
- ♦ Tax treatments for offshore funds

Filled with Proven, Business-Savvy Compliance Practices

Your Benefits of Attending

- ♦ Receive cutting-edge information on the latest hedge fund and fund of funds **accounting pronouncements**
- ♦ Hear how funds are implementing **fair value measurement practices**
- ♦ Gain insight into **FIN 48 lessons learned** and best practices that can you can apply to your fund
- ♦ Receive need-to-know information on **record-keeping practices** that satisfy investors, auditors, and SEC examiners
- ♦ Learn how to avoid the **most common audit issues** uncovered during a quality review
- ♦ Explore the most important accounting and administration practices for handling **offshore funds**
- ♦ **Valuation, valuation, valuation!** Explore practical examples of compliant, competitive valuation practices for implementing FAS 157
- ♦ Get the latest on regulatory enforcement hot buttons – and how to avoid trigger them!
- ♦ Learn about the different ways of **preparing financial highlights**
- ♦ Examine what can go wrong with **internal control documentation**
- ♦ Discover the top tax concerns for HFs & FoFs using **off-shore funding**
- ♦ Find out what **investors are looking for** in their due diligence audits

Overflowing with Networking Opportunities

Register today! Call 800-280-8440 or register online at www.frallc.com.

Sincerely,

Stacey L. Nelson

Stacey L. Nelson, Conference Director
FINANCIAL RESEARCH ASSOCIATES LLC

PS. Check out our buzz...

Rave Reviews from Past Hedge Fund Accounting & Administration Forums:

"This forum covered so many relevant topics that will affect our work product and business model."

"Conference provided solid examples and examined how the relevant topics will impact our firm."

"The panelists really knew their stuff."

"Speakers had great knowledge, were very informative, and made the topics interesting."

"On a whole, good topics, very focused and current information, and great speakers."

"Great interaction between speakers and audience."

"This is the conference that FRA does better than any other."

The Conference Sponsors



more information on these upcoming events and more!

Financial Research Associates provides the financial community with access to business information and networking opportunities. Offering highly targeted conferences, FRA is a preferred resource for executives and managers seeking cutting-edge information on the next wave of business opportunities. Please visit www.frallc.com for



The Hedge Fund Business Operations Association is an industry-run association. Our mission is to support hedge fund CFOs, COOs and CCOs and their need for networking opportunities, provide an unbiased platform to exchange new ideas, and develop a forum/clearinghouse of pertinent information about hedge fund business operations. To achieve this goal, the association focuses on providing hedge fund operations personnel with reliable and practical information through industry updates, articles, educational summits, useful web links, and industry directories. For more information and to join, visit the association's website at www.hfboa.org.

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DAY ONE: MONDAY, JULY 21, 2008

8:00 – 8:45 *Conference registration & continental breakfast*

8:45 – 9:00

Chair's Opening Remarks

Conference Chair:

Lester Wigler, *Financial Advisor*
CITI SMITH BARNEY

9:00 – 10:15 REGULATION & COMPLIANCE ROUNDTABLE

Top Examination & Enforcement Priorities

Get the inside scoop on regulators' priorities and practices. Topics for this illuminating session include:

- Valuation / FAS 157
- FIN 48
- Insider trading
- Marketing materials
- Material conflicts of interests
- Recent enforcement actions
- Red flags and warning signs that trigger an exam
- And more!

Regulatory Speakers:

Rex Staples, *General Counsel*
NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION

Ted Eichenlaub, *Partner*
ACA COMPLIANCE GROUP

Marc E. Elovitz, *Partner*
SCHULTE ROTH & ZABEL LLP

Moderator:

Richard D. Marshall, *Partner*
ROPES & GRAY LLP

10:15 – 10:30 *Refreshment & networking break*

10:30 – 11:45 ENSURING COMPLIANCE WITH NEW REPORTING REQUIREMENTS

New Accounting Pronouncements and Financial Statement Preparation

- SFAS 157: Practical implementation challenges on fair value, understanding the new disclosure requirements
- FIN 48: Accounting for uncertain tax positions implications on alternative assets
- New technical practice aids relating to new financial disclosures of deferred fee arrangements, incentive allocations on private equity, and gross method for cash flows
- Ensuring proper disclosures of related party transactions
- Coordinating financial reporting controls with administrators

Speakers:

Paul J. Nockels, *Partner*
MCGLADREY & PULLEN, LLP

Christopher Mears, *Financial Service Audit Principal*
ROTHSTEIN, KASS & CO.

Daniel Kalish, *Director*
BLACKROCK FINANCIAL MANAGEMENT, INC.

11:45 – 12:10

Valuation Processes & Procedures that Safeguard Your Fund

- How to structure the valuation process to protect those in charge from criticism/liability
- Practices that will help protect your fund if the valuation result, viewed in hindsight, turns out to be materially inaccurate
- Satisfying the legal duties of care, of loyalty and of fair disclosure
- Proper preparation of a written record supporting the valuations
- How to build the file to a level which rebuts criticism

- Responsibility, if any, of investors in a pooled investment vehicle (hedge included) to vet and appraise the manager's FAS 157 procedures vis-à-vis the fund's illiquid, private portfolio positions
- The role of the prime broker in ensuring valuation is appropriate

Speakers:

Joseph W. Bartlett, *Of Counsel*
SONNENSCHN NATH & ROSENTHAL LLP

Anthony L. Perricone, *Partner*
SONNENSCHN NATH & ROSENTHAL LLP

12:10 – 1:25 *Luncheon*

1:25 – 2:15

The Hedge Fund Valuation Process: What's at Stake?

- What matters to investors / fund of funds?
- What matters to managers?
- The role of administrators and valuation service providers
- The challenge of "accuracy" versus "independence"
- Competing valuation standards (AIMA, IOSCO, PEIGG)
- Evolving accounting standards
- Putting together a best practice valuation process

Speakers:

Stacey Schell, *Financial Service Audit Principal*
ROTHSTEIN, KASS & CO.

Chris Franzek, *Managing Director*
DUFF & PHELPS

2:15 – 3:05

Complex Valuation and Pricing Scenarios under the Newly Implemented FAS 157

This practical session will walk through specific examples of valuation practices used to comply with FAS 157. Topics include:

- Thinly traded securities
- PIPEs
- Private companies
- SWAP contracts and other derivative instruments
- Fund of funds
- Securities and instruments traded on multiple exchanges
- Securities with both observable and non-observable inputs

Speakers:

Tania Lynn, *Senior Manager*
DELOITTE & TOUCHE LLP

Maury Cartine, JD, CPA, *Tax Partner*
MARCUM & KLIEGMAN LLP, CPA & CONSULTANTS

3:05 – 3:20 *Refreshment & networking break*

3:20 – 4:10

Trends in Outsourcing Fund Administration

- How do institutional investors evaluate the quality of hedge fund administrators?
- How should administrators approach complex valuation issues?
- Should administrators perform a NAV-Lite function and should they discontinue this type of service to all clients?
- How will administrators continue to deal with high employee turnover—it's effect on clients and its potential for increased errors?
- Outsourcing fund administration to India: A good idea for your firm?
- Factors to consider when outsourcing: Cost benefits, distribution and information flow
- Outsourcing vs. offshoring
- Outsourcing as an effective valuation method
- Differentiating between a multitude of service providers

Panelists:

Marina Lewin, *Managing Director, Alternative Investment Services*
THE BANK OF NEW YORK MELLON

Mark Polemeni, *Chief Legal Officer & Chief Compliance Officer*
ALEXANDRA INVESTMENT MANAGEMENT

Moderator:

Fred Jacobs, *Managing Director*
FULCRUM FUND SERVICES

Featuring
Specific
Examples



4:10 – 5:00 PROCESS CONTROLS FOR FINANCIAL REPORTING

Tackling FAS 157 Reporting Requirements

- Understanding process control for financial reporting
- Applying process control points to FAS 157 reporting
- Reacting to FAS 157 – What we are seeing in the mutual fund industry
- Reporting fair market value – What administrators need to know

Speaker:
Scott Powell, Product Manager
CONFLUENCE

5:00 Day one sessions adjourn

11:00 – 12:15 TOP AUDIT ISSUES DISCOVERED DURING QUALITY REVIEWS

Preparing for Your Fund's Audit: Common Pitfalls & Flags

This advanced session moves beyond the basics to give you tips and techniques to take back to your fund. Veteran hedge fund experts share their insights with you. Topics include:

- Discover the top audit issues uncovered during a quality review
- Internal control documentation: What can go wrong and a walk through of transactions
- Use of service providers: Prime brokerage and administration, and SAS 70's
- Different ways of preparing financial highlights
- Grossing up the statement of cash flows for purchase and sale of investments
- Fund of funds, how far does the fund's management and auditor need to go in reviewing underlying funds
- And more!

Speakers:
Nick Tootle, Partner
KAUFMAN ROSSIN & CO.
Marni Pankin, Director
MARCUM & KLIEGMAN LLP

12:15 – 1:15 Luncheon

DAY TWO: TUESDAY, JULY 22, 2008

8:00 – 8:45 Continental breakfast

8:45 – 9:00 Chair's Welcome and Day One Recap

Conference Chair:
Lester Wigler, Financial Advisor
CITI SMITH BARNEY

9:00 – 9:50 KEYNOTE ADDRESS - MARKET FORCES AT WORK

Hedge Fund Risk Management and Valuation – No Time for Shrinking Violets

Explore key questions and challenges facing hedge fund professionals in these turbulent times. Join appraiser and risk manager, Susan Mangiero, for a topical discussion about the fast changing operating environment for buyers and sellers alike. Always important topics, portfolio valuation and operational controls are front and center as fund managers, and their service providers, deal with new rules and regulations and the continuing fall-out of credit-related problems. Dr. Mangiero will share her insights about:

- Regulatory enforcement hot buttons
- Valuation and risk management litigation trends
- Best practices for evaluating key risks and managing exposure
- Institutional investor impact as pensions/endowments/foundations allocate more money to alternatives

Keynote Presenter:
Dr. Susan Mangiero, AIFA, AVA, CFA, FRM, President
PENSION GOVERNANCE, LLC

9:50 – 10:10 Refreshment and networking break

10:10 – 11:00 Preparing for Your Funds Audit: Basics & Essentials

- Understand what the auditors want and need
- How to best facilitate the audit process with internal work papers, schedules and documentation
- The content of representation letters and the purpose served by each representation
- How the latest independence rules that govern your auditor's services affect your fund
- Hedge fund oversight of prime brokerage

Speakers:
David M. Burns, Audit Partner and Northeast Financial Institutions Industry Practice Leader
GRANT THORNTON LLP
Michael Cairns, Audit Senior Manager
GRANT THORNTON LLP

1:15 – 2:05 Top Tax Concerns Affecting HFs and FoFs

- Legislative proposals affecting hedge funds and financial products used by hedge funds
- Opportunities & pitfalls in using off-shore funding for distressed debt investing
- Tax risks inherent in using derivatives to provide economic exposure to off-shore funds

Speaker:
Mark H. Leeds, Shareholder
GREENBERG TRAURIG, LLP

2:05 – 2:20 Refreshment and networking break

2:20 – 3:10 MEETING FUND ADMINISTRATION CHALLENGES

Operational Due Diligence – What Investors Are Really Looking for from HFs

- Best practices in hedge fund operations
 - Minimizing your operational risk around the trade flow process
 - Investor due diligence surrounding the valuation process
- Institutional grade operations platforms
- Red flags and warning signs missed in 2007

Speakers:
Louis Rodriguez, Director
ARDEN ASSET MANAGEMENT
George Roeck, Managing Director, CFO, CCO
AGAMAS CAPITAL MANAGEMENT, LP
Eric S. Lazear, Head of Operational Due Diligence
FIM USA INC.
Christopher Addy, CA, CFA, President and CEO
CASTLE HALL ALTERNATIVES

Moderator:
Ravi Manchi, Principal
WESTWATER CORP.

3:10 – 4:00

MEETING FUND ADMINISTRATION CHALLENGES

Operational Due Diligence: Mock Review— The Good, the Bad, and the Ugly

This practical session is a “mock review” of common investor requests made of funds. You will explore examples of:

- How well-prepared funds respond to investor requests (the good)
- Mistakes funds commonly make in responding to investor requests (the bad)
- Warning signs that have signaled impending disaster (the ugly)

Speaker:

Ravi Manchi, Principal
WESTWATER CORP.

4:00 Conference adjourns

Who Should Attend?

Designed to meet the needs of finance, accounting and administration professionals from hedge funds and fund of funds, including:

- Chief financial officers
- Chief operations officers
- Chief administration officers
- Chief compliance officers
- Managers and directors of
 - Finance
 - Accounting
 - Operations
 - Compliance
- External auditors



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Important Information

Four Ways to Register:

- Fax:** 704-889-1292
- Mail:** Financial Research Associates
18705 NE Cedar Drive
Battle Ground, WA 98604
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- Phone:**
- Online:** www.frallc.com

The 6th Hedge Fund Accounting & Administration Forum 2008 July 21-22, 2008

The Venue:

The Harvard Club of New York City
35 West 44th St.
New York, NY 10036
p: 212-840-6600
f: 212-827-1270

If you require overnight accommodation for this conference, please contact any of the following nearby hotels to check their best available corporate rate over this time frame, or consult your local travel agent. Please note that FRA has not negotiated rates with any of these hotels.

Area Hotels:

Mansfield Hotel – (212) 944-6050	Royalton Hotel – (212-869-4400
Algonquin Hotel – (212) 840-6800	Iroquois Hotel – (212-840-3080
City Club Hotel – (212) 921-5500	Sofitel Hotel – (212) 354-8844



Fees and Payments:

The fee for attendance at the **6th Hedge Fund Accounting & Administration Forum 2008** is: \$2095.

Please make checks payable to Financial Research Associates, and write code B628 on your check. You may also pay by Visa, MasterCard, Discover, or American Express. Purchase orders are also accepted. Payments must be received no later than July 14.

Team Discounts:

- Three people will receive 10% off.
- Four people will receive 15% off.
- Five people or more will receive 20% off.

In order to secure a group discount, all delegates must place their registrations at the same time. Group discounts cannot be issued retroactively. For more information, please call Kathie Eberhard at 1-704-889-1860 or keberhard@frallc.com.

SOFT DOLLAR YOUR CONFERENCE REGISTRATION!

This FRA conference may be eligible under section 28(e) of the Securities Exchange Act of 1934 for payment via soft dollars. For further information or a Soft Dollar Application form, please visit our website www.frallc.com/softdollars.aspx.

Cancellations: If we receive your request to cancel 30 days or more prior to the conference start date, your registration fee will be refunded minus a \$175 administrative fee. Cancellations occurring between 29 days and the first day of the conference receive either a 1) \$200 refund; or 2) a credit voucher for the amount of the original registration fee, less a \$175 administrative fee. No refunds or credits will be granted for cancellations received after a conference begins or for no-shows. Credit vouchers are valid for 12 months from the date of issue and can be used by either the person named on the voucher or a colleague from the same company.

Please Note: For reasons beyond our control it is occasionally necessary to alter the content and timing of the program or to substitute speakers. Thus, the speakers and agenda are subject to change without notice. In the event of a speaker cancellation, every effort to find a replacement speaker will be made.

Earn CPE Credits



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Financial Research Associates offers programs at an advanced level of continuing education. Although no prerequisite courses, experience, or advance preparation is required to participate in this program, working knowledge of accounting, auditing, finance and administrative practice is required, as well as, prior knowledge of the program topic.

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