



Managed Money Review

BY DANIEL P. COLLINS

Forum turns table on hedge fund critics

Much of the coverage of the Securities and Exchange Commission's (SEC) year-long fact finding investigation into hedge funds created fear that the SEC's hedge fund roundtable held in May would be a mandate for greater regulation.

But what at one point may have appeared a lynch party became a love fest. Discussion veered from how to place greater restrictions on hedge funds to how to safely allow retail mutual funds to take advantage of methodologies typically employed by hedge funds.

Rick Lake, chairman of investment company Lake Partners, who participated in the roundtable, says the major shift was the realization that hedge funds are useful

tools that should be made available in a measured fashion to the general public.

Common themes coming out of the forum were the need to update what constitutes accredited investors, loosening short selling rules, giving registered vehicles more freedom to use incentive fees and giving private placements greater freedom to market.

Harvard professor and former head of Fidelity Investments Robert Pozen noted at the forum that the growing appetite of retail investors to manage downside risk was the catalyst for the forum. He said that rather than increase hedge fund regulation, the SEC should loosen regulations on registered vehicles to allow more short selling and incentive fees.

Two possible positive outcomes Lake envisions from the forum would be to register hedge fund managers (not hedge funds) and make it easier for mutual funds to use hedging techniques.

CTAs TAKE NOTE

If you have traded for three years with one year of managing customer funds, manage less than \$10 million and have an audited track record, then you are eligible for consideration in our annual feature, "Hot New CTAs." Send your disclosure document and recent returns to Daniel P. Collins, *Futures Magazine*, 833 W. Jackson, 7th Floor, Chicago, IL 60607. E-mail: dcollins@futuresmag.com. *Deadline: Friday, Aug. 8, 2003.*

Comparing index returns

	April	YTD
S&P 500 Total Return Index	+8.24%	+4.83%
Lehman Brothers Treasury Index	+1.04%	+2.17%
Morgan Stanley EAFE Index	+9.38%	-0.28%
Futures Public Funds (April)	+0.93%	+5.27%

April's top CTAs

	April	YTD
Barclay CTA Index	+0.81%	+1.73%
Barclay Sub-Indexes:		
Agricultural Traders	+0.52%	-8.43%
Currency Traders	+1.88%	+3.60%
Diversified Traders	+0.46%	+2.34%
Financials and Metals Traders	+1.96%	+3.35%
Discretionary Traders	+0.24%	-1.47%
Systematic Traders	+0.80%	+2.41%

More than \$10 million under management

1. State St. Gl. Advisors (Gl. Divers.)	+22.90%	+2.20%
2. Invesco (Financial)	+19.17%	-13.40%
3. First Quadrant L.P. (Managed Futures)	+11.13%	-5.86%
4. Potomac Portfolios (MAP)	+10.61%	+2.38%
5. Friedberg Comm. Mgmt. (Curr.)	+9.80%	+17.59%

Less than \$10 million under management

1. Cunningham Asset Mgmt. (Index)	+24.16%	+16.70%
2. Pacific Asset Mgmt. (Alpha)	+21.29%	+42.69%
3. AgTech Trading Company	+20.07%	+32.19%
4. Int'l Trading Advisors (Sht Term UDS)	+18.40%	+11.90%
5. Dorset Futures Corp. (S&P 500)	+18.30%	+22.79%

Based on estimates of the composite of all accounts under management; does not reflect the performance of any single account.
Source: Barclay Trading Group Ltd., Fairfield, Iowa: (641) 472-3456

Futures public funds summary

May 2003

Number reporting: 100
Average performance for the month: +7.32%
Funds up: 96 Down: 3 Unchanged: 1

Top performers in May

Fund	Trading advisor(s)	May Return	YTD
Quadriga Superfund, L.P. Series B	Quadriga Capital Mgmt.	+25.31%	+21.66%
FTC Futures Fund Dynamic*	FTC Asset Mgmt.	+22.98%	+21.26%
Bright Capital Technical Fund*	Bright Capital	+22.32%	+32.78%
PB International Futures Fund F*	Eagle	+19.45%	+20.70%
World Monitor Trust A	Eagle Trading Systems	+18.51%	+23.58%

Worst performers in May

AHL Gtd. Commodities Ltd.*	Man Investments	-1.68%	+1.32%
AHL Gtd. Capital Markets Ltd.*	Man Investment Prod. Ltd.	-1.20%	-9.82%
Bright Capital Diversified Fund Ltd.*	Bright Capital	-1.17%	-2.97%
MSDW Spectrum Strategic Fund	Allied Irish Capital Mgmt.; Eclipse Capital Mgmt.	0.00%	+8.49%
Hanseatic Discretionary Pool	Hanseatic Group	+0.51%	-4.65%

2003 results

(through May 31)

Number reporting: 100
Average performance for the year: +13.37%
Funds up: 92 Down: 8 Unchanged: 0

Top performers in 2003

Fund	Trading advisor(s)	May Return	YTD
AHL Currency Fund*	Man Investment Prod. Ltd.	+17.27%	+49.33%
Man AHL Diversified plc*	Man Investments	+10.91%	+39.16%
Bright Capital Technical Fund*	Bright Capital	+22.32%	+32.78%
SMN Diversified Futures Fund*	SMN Investment Services Ltd.	+8.70%	+29.23%
GSL-JWH Financial & Metals*	J.W. Henry	+8.65%	+24.57%

Worst performers in 2003

Smith Barney AAA Energy	AAA Capital Management	+5.32%	-24.54%
AHL Capital Markets Ltd*	Man Investment Prod. Ltd.	+13.46%	-11.02%
AHL Gtd. Capital Markets Ltd.*	Man Investment Prod. Ltd.	-1.20%	-9.82%
Financial Futures Trading Program*	Michael N. Trading Co. Ltd.	+2.45%	-7.20%
Northfield International*	Northfield Trading	+5.19%	-6.73%

Note: Listed return may not be fully attributable to listed advisor(s).

* Offshore fund.

NEW DOW STRATEGIES
AT
www.cbot.com/dow

GAME ON.

NOW'S THE TIME.
IT'S YOUR MOVE.

THE NEW, ELECTRONICALLY TRADED	CBOT mini -SIZED DOW SM
--------------------------------------	--

www.cbot.com/dow

 Chicago Board of Trade

*Dow JonesSM, "The Dow[®]", "Dow Jones Industrial AverageSM", and "DJIASM" are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by the Board of Trade of the City of Chicago, Inc. (CBOT[®]). The CBOT futures and futures options contracts based on the Dow JonesSM Averages are not sponsored, endorsed, sold, or promoted by Dow JonesSM, and Dow JonesSM makes no representation regarding the advisability of trading in such products.