



News Release

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Managed Funds Association Responds to Financial Regulatory Reform Proposals

WASHINGTON, DC –Managed Funds Association (MFA) President and Chief Executive Officer Richard H. Baker, issued the following statement in response to the proposed financial regulatory reform proposals announced today by the Obama Administration.

"MFA believes the proposals outlined today by President Obama and Treasury Secretary Geithner, and the legislation introduced yesterday by Senate Securities Subcommittee Chairman Jack Reed, specifically those relating to the regulation of hedge funds and other privately managed pools of capital, represent an intelligent approach to tackling financial regulatory reform. The proposals would, for the first time, subject all investment advisers and managers to oversight, examination and inspection by a strengthened SEC and require them to provide periodic, detailed reports to their regulators and to the public, including their investors and financial counterparties, describing who they are and what they do. Importantly, these proposals would also require investment advisers and managers to provide, on a confidential basis, federal financial regulators with important information regarding their size, leverage and interconnectivity to help regulators better assess the extent to which, if at all, such entities may pose a systemic risk.

"As I, and others, including regulators, policy makers and academics, have stated, hedge funds were not the cause of the ongoing challenges in our markets and our economy. However, as financial market participants, we have a shared interest and responsibility to work constructively with the Administration, congressional leaders and federal regulators on a sensible path toward financial regulatory reform. While the details of a final legislative package from Congress have yet to emerge, MFA hopes the proposals put forward today by President Obama and Secretary Geithner lay the foundation for the eventual enactment of a sensible set of reforms that promote greater stability and transparency in financial institutions and markets and help to restore the confidence of consumers and investors in our nation's markets and our economy."

About Managed Funds Association

MFA is the voice of the global alternative investment industry. Its members are professionals in hedge funds, funds of funds and managed futures funds, as well as industry service providers. Established in 1991, MFA is the primary source of information for policy makers and the media and the leading advocate for sound business practices and industry growth. MFA members include the vast majority of the largest hedge fund groups in the world who manage a substantial portion of the approximately \$1.5 trillion invested in absolute return strategies. MFA is headquartered in Washington, D.C., with an office in New York. For more information, please visit: www.managedfunds.org.

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