



MFA Submits Letter to the SEC on JOBS Act Implementation:

On March 22, the Managed Funds Association (MFA) submitted a comment letter to the Securities and Exchange Commission (SEC) in response to its proposed implementation of Section 201 of the Jumpstart Our Business Startups (JOBS) Act. MFA responded to recommendations proposed by the SEC's Investor Advisory Committee for the SEC to make certain changes to the private offering framework and related regulations in connection with its implementation of the JOBS Act.

MFA supported many of the Committee's recommendations, including that the SEC continue its implementation of the Dodd-Frank Act regarding the disqualification of bad actors and the definition of accredited investor. MFA did, however, oppose certain recommendations of the Committee. The recommendations MFA opposed are not related to implementation of the JOBS Act and would not be necessary in light of existing comprehensive oversight of private fund managers by the SEC.

Click here to view MFA's comment letter on the [implementation of the JOBS Act](#).

MFA Submits Comments to Cayman Islands Monetary Authority:

On March 18, MFA submitted a comment letter in response to the Cayman Islands Monetary Authority's (CIMA's) consultation paper on corporate governance. MFA expressed support for CIMA's proposed principles-based approach to guidance for directors. However, MFA encouraged CIMA to modify the proposed cross-sectoral approach in light of structural differences – and different investor expectations – for directors of investment funds as compared to directors of other types of companies. Specifically, MFA noted that investors typically expect the investment adviser to the fund, not the directors, to establish strategic objectives and risk parameters for the fund. Finally, MFA encouraged CIMA to adopt a principles-based approach with respect to the number of directorships a person may hold, rather than establishing numerical limits.

Click here to view MFA's [comment letter to the Cayman Islands Monetary Authority](#).

MFA Releases Latest Educational Resources: Electronic Trading Presentation and Understanding the Managed Funds Industry Infographic:

Earlier this month, MFA released the latest in a series of educational resources highlighting issues of importance to the hedge fund industry and MFA members. The newest presentation focuses on electronic trading and its impact on market efficiency and advancement. This presentation seeks to provide an overview of the evolution of electronic trading, provide clear definitions of often misused terms, and demystify electronic trading strategies like high frequency trading.

Hedge Fund Fundamentals also released its latest educational infographic this month, *Understanding the Managed Futures Industry*. The managed futures industry has well over \$300 billion under management, and helps investors diversify their portfolios, manage risk, and meet their investment goals. The infographic explains how investors, businesses, and commodity producers use futures, options, or forwards to trade commodities. Commodity trading advisors and commodity pool operators

manage money and advise investors in up to 150 global futures markets, managing funds in public and private commodity pools that are open to different levels of investors.

View [MFA's Electronic Trading Presentation](#) here.

View the [Hedge Fund Fundamentals infographic on the Managed Futures Industry](#) here.

High Frequency Trading in the News:

The Australian Securities and Investments Corporation (ASIC) released a report and consultation paper that examined the impact of dark liquidity and high frequency trading on the country's financial markets. The dark liquidity proposal focuses on the impact to market efficiency and quality.

Politico also ran a commentary piece in March by Charles M. Jones, the Robert W. Lear Professor of Finance and Economics at Columbia Business School. He wrote about the benefits that high frequency trading (HFT) provides to markets. The piece is supported by his recently released study, "What Do We Know About High-Frequency Trading?"

Dr. Jones summarizes that his meta-analysis of existing academic research backs up the claim that HFT improves liquidity and reduces trading costs, noting that nearly every time there has been a change facilitating more HFT, liquidity and overall market quality improve. These benefits are also passed along to all investors, not just sophisticated ones. "Today's retail investor finds a marketplace that is more responsive, accessible and efficient than ever, and HFT is part of the explanation," he wrote.

Click here to view the [ASIC press release](#).

Click here to view the [Politico commentary piece on high frequency trading](#).

Hong Kong SFC Report Shows Fast Growth of Hedge Fund Industry:

From September 2010 to September 2012 the hedge fund industry's assets under management (AUM) in Hong Kong increased nearly 38%, totaling \$87.1 billion. The overall number of hedge funds managed by licensed hedge fund managers in Hong Kong increased as well, from 538 in September 2010 to 676 in September 2012. These findings and more were released in a report last month by the Hong Kong Securities and Futures Commission (SFC), showing rapid growth for the hedge fund industry there.

Read the full [Hong Kong SFC report on the hedge fund industry](#) here.

Eurekahedge Reports Positive Hedge Fund Performance in First Quarter of 2013:

Eurekahedge reports hedge funds were up 0.71% in March, and 2.98% overall so far this year. The report also indicates Japanese hedge funds increased 10.78% in the first quarter of 2013.

Eurekahedge reports that North America witnessed a continuation of the rally in equity markets amid positive economic data, while Japanese stocks also extended their strong run with further devaluation of the yen. Concerns over Europe's sovereign debt situation resurfaced due to Cyprus's banking crisis and questions over its bailout, leading European markets to underperform during the month.

Click here to view the full [Eurekahedge report](#).