

“Hedge Funds” is the theme of this issue. In addition to a Roundtable Discussion that features a host of accomplished professionals from a variety of sectors within the hedge fund industry, we introduce you to several “must read” books about the hedge fund business and offer perspective on how the recent tumult in the financial service markets has underscored the importance of keeping assets safe.

What's Inside

Hedge Fund Roundtable

Pages 1-4, 8-14

Commentary: A Remarkable Year

Pauline Modjeski

Page 5

Thoughts from the MFA President: “The Regulatory Threat in Washington”

Richard H. Baker

Page 6-7

From the Bookshelf

Page 14

Horizon News

Page 15

Hedge Fund Roundtable

Recently, Horizon Cash Management convened an extraordinary panel of hedge fund experts to discuss some of the more topical themes within the hedge fund community. Each of the panelists is the senior-most executive within their firms, in nearly every instance having founded the enterprise. The hedge funds represented are based in the U.S. and Asia. Additionally, the group featured the chief executive officer of a major family office in Europe and a partner in the tax practice of one of the world's most renowned accounting firms. This discussion was led by Michael Tannenbaum, founding partner of Tannenbaum Helpern Syracuse & Hirschtritt, a New York-based law firm with a long and distinguished history of serving the needs of the hedge fund community. Participants' biographies appear on the next page.

Michael Tannenbaum:

Hello everybody. I think it would be good to start with a brief introduction about each other and then let's make this a lively conversation. There's a lot to talk about, things that I might bring up but I would fully expect and hope that you would bring up issues as well for the rest of the group.



Michael Tannenbaum

My name is Michael Tannenbaum. I'm a partner in New York and in London of my firm, Tannenbaum Helpern, concentrating in hedge funds and other financial services. We have quite a global practice and have been at it for about 30 years. In that time, we've seen a great deal of changes, some of which we can discuss today. So let's go around the table. Peter, why don't you give us a quick rundown?

Peter Fletcher: Thank you, Michael. I'm Peter Fletcher, and I manage a family office in Geneva. We've been investing in alternatives – virtually 100% – since the early 1990's. In our office, we're looking at absolute return, which means we don't lose money over time and we compound

at reasonable rates. Since about 2000 we saw a huge change in the hedge fund universe, with the flow of funds coming in more fund-to-funds. As a result, we've actually been establishing more managed accounts, which utilize what we call performance investing, which is probably long only, using cash as a hedge or we can hedge ourselves.

I think over the last year there has just been so much money flowing in and our concern is just too many of the managers are on the same positions. The result is it's very crowded. A lot of the funds are very substantial in size and as markets meet price equilibrium I'm quite concerned who the ultimate buyer is going to be. Consequently, we've reduced our hedge fund exposure quite dramatically, and with a number of funds we're doing more and more managed accounts or private funds, with myself and a couple of other families; we're the only investors over a long term. We can keep a portfolio. But more importantly we're reducing the risk of forced redemptions which you're seeing today with a lot of fund-to-funds and funds. That's where we are.

CONTINUED ON NEXT PAGE

Hedge Fund Roundtable *Continued*

Moderator:

Michael Tannenbaum – Founding Partner, Tannenbaum Helpern Syracuse & Hirschtritt (New York). Tannenbaum Helpern provides legal services in all areas of business law, with particular focus on financial services (especially hedge funds, fund-of-funds and other alternative investments), private funds and capital markets. Michael has served as president of the Hedge Fund Association and was a founding member of its Board of Directors.

Panelists:

Aaron Boesky – Founder, Chief Executive Officer of Marco Polo Pure Asset Management (Hong Kong). Aaron has 11 years experience in portfolio management and commercial real estate in the U.S. at Rosenberg Investments and in Asia as CEO of Marco Polo. Aaron launched Marco Polo, a boutique fund that focuses on trading Shanghai-listed shares, in 2004.

Lauren Chung – Co-Founder, Chief Operating Officer of Tokum Capital Management (New York). Lauren has a doctorate in Neuropathology from Columbia University, where she also did investment work. Prior to co-founding Tokum Capital with her husband, Emile Westergaard, Lauren was a healthcare analyst at Pequot Capital and Kingdon Capital, and served as portfolio manager (healthcare) at a start-up hedge fund.

Peter Fletcher – Managing Director of Parly Company, a Geneva-based family office that invests internationally in alternative investments. Peter has more than 30 years of international experience covering a broad spectrum of financial management functions in the trust and banking industry in Canada, Australia, Bermuda, Hong Kong and Switzerland.

Matthew Koenig – Partner-Global Financial Services, Ernst & Young (Chicago). Matthew has been with Ernst & Young for 15 years, the last 8 of which have been in the Chicago office. Ernst & Young, one of the largest professional firms in the world, is the auditor for many of the world's leading corporations and works with nearly two of every five hedge funds in the U.S. Matthew's practice focuses on the alternative investments industry.

Virginia Reynolds Parker – President, Founder, CIO of Parker Global Strategies (Stamford, CT). Parker Global Strategies is a Manager of Managers and a Fund of Hedge Funds manager providing customized multi-manager hedge fund strategies for private and institutional investors. Involved in investment management since 1981, Virginia is an acknowledged expert on risk management as it relates to hedge funds and is a frequent speaker at industry conferences.

Michael Tannenbaum: *Thank you, Peter. Virginia, tell us what you're doing these days.*

Virginia Reynolds Parker: Certainly. Parker Global Strategies has been around since 1995. We specialize in custom designing various types of fund to hedge fund strategies for institutional clients. In early July, we launched a \$500 million U.S. energy infrastructure fund. Similar to what Peter stated, we have each of the managers for that running managed accounts for us and we'll only put our own investors in. Certainly, we share all of the same concerns that Peter mentioned. As I look at the market over the past year, I really don't remember at any time having seen situations in the markets like we've seen over the past 12 months. So I anticipate having a most lively discussion.

Michael Tannenbaum: *Let's hear from our Asia-based representative.*

Aaron Boesky: My name is Aaron Boesky. I'm the founder and current CEO of Marco Polo Pure Asset Management. We're based in Hong Kong and Shanghai. Our fund is entering our fifth year now. Marco Polo is the only hedge fund manager in the world which specializes in the Shanghai stock market, which is the single worst performing market in the world this year. I guess you could consider me your poster child for the global downturn given that there no other manager at this table specializes in this geography, and it's been the worst performing market in the world. I'm sure I can give you some guys some interesting color.

Michael Tannenbaum: *Are you on the short side?*

Aaron Boesky: Well, there is no shorting in the Shanghai. Luckily we've

averted about 50% of the pain but it has still been painful. We use a variety of hedging strategies, but there are no individual position shorts on this exchange.

Michael Tannenbaum: *That has to pose quite the challenge. Matthew?*

Matthew Koenig: I'm Matthew Koenig and I've been with Ernst & Young for about 15 years. While I started my career in New York, I've been in Chicago for about 7 or 8 years now. Ernst & Young, which I'm sure you all know, has a very large global hedge fund practice with. Our firm probably works with close to 40% of the US-based hedge funds. That's where I concentrate my efforts. Many of my clients are single manager credit funds, so you can imagine I've been exceptionally busy over the past 9 to 12 months with this very active sector. I hope to provide some color on that.

Michael Tannenbaum: *And finally, Lauren.*

Lauren Chung: My name is Lauren Chung, and I'm the co-founder and Chief Operating Officer of Tokum Capital Management. We're based in New York and manage a dedicated healthcare fund, that invests globally in all sectors of the healthcare industry. My husband, Emile Westergaard, and I started the company about a year-and-a-half ago. The funds launched in May, 2007. Emile comes from Pequot Capital Management, then Amaranth. When Amaranth shut down, Emile brought his team to start Tokum. I hope to share the issues that one encounters in the early launch phases of a healthcare fund that to-date has done well.



Lauren Chung

Michael Tannenbaum: *The fact that we have participants from New York, Shanghai, Geneva (with an active London presence) and Chicago demonstrates the global nature of this business. And it's getting more and global every day.*

Aaron mentioned that there's no shorting off in Shanghai. That raises the initial issue of some of the legal issues that might be impacting you in various jurisdictions as you go across borders. What have your experiences been dealing with different legal systems in various jurisdictions as you trade across borders or as you endeavor to attract capital from outside your geography?

Aaron Boesky: I can answer some of that. Recognizing we needed to deal with investors across many jurisdictions, one of the early decisions we made was to employ a law firm to provide us "blue sky" surveys across more than 25 different jurisdictions. These surveys helped us deal with the full range of investor issues and enabled us to legally – and successfully – operate within the compliance of the many jurisdictions in which our investors reside. On the flipside, we needed to be fully knowledgeable of the rules governing where we would place those assets, as well as understanding the needs of the local regulators in China. We deal both with the currency regulator in China (called SAFE) and the securities regulator in China. We also had to go through an arduous licensing process with the Securities and Futures Commission (SFC) of Hong Kong. Additionally, we needed to complete registration with the SEC as investment advisor. Suffice it to say, there's been a lot of legal work. I believe our legal bill was well in excess of a quarter million dollars this year and we're only in the mid-life of our operation. It's a never-ending process.

Michael Tannenbaum: *I can tell you from my personal experience, apart from the pure lawyering, the key issues that always emerge are definitional issues. What an affiliate is in the United States versus what an affiliate is in the UK, Switzerland or other jurisdictions.*

The notion of risk seems to be changing fairly dramatically. Virginia, what changes are you seeing in your investors' appetite for risk? How would you characterize the current risk environment?

Virginia Reynolds Parker: Right now we're seeing everyone in the investor universe wanting to take their risk down. And these requests are very specific. For a few of the customized funds that we run in which the investors have displayed – over the past few years – what I would describe as an aggressive risk appetite asked us in late summer to please restructure the portfolio with the goal of lowering the risk profile. They don't mind giving up potential returns on a going-forward basis. They simply want much less risk in the overall portfolio.

Michael Tannenbaum: *Lauren, do you see the same thing?*

“Right now we're seeing everyone in the investor universe wanting to take their risk down.”

Virginia Reynolds Parker

Hedge Fund Roundtable Continued

Lauren Chung: It's important to understand how investors define risk, as the term can be quite broad and inclusive. We talk about managing our portfolio within the confines of such investment risk measures as annual volatility. On this measure, we typically try to stay within 8% to 9%. We also look at beta. Our beta has been zero-based on daily data since we launched. We also look at correlation. We look at the S&P healthcare index and broader indices to assess how we're performing versus those measures. We also look at liquidity. 80% to 90% of our portfolio is in mid- to large-cap companies, so it tends to be pretty liquid and that's one of the important parameters that we look at. What we've discovered is that our institutional clients are pleased that we stay within these parameters. As long as we stay consistent, they've been very happy with the results.

Michael Tannenbaum: *Peter, do you see anything different on the family office side?*

Peter Fletcher: I do, but just to continue on this discussion of risk, we define it as a probability of permanent loss of capital not volatility. For example, in many of our managed accounts the high volatility has been down, but we've alleviated a lot of the risk because we hold the assets, not leverage, so we have a good understanding. Not that we're trying to second-guess managers, but as relates to equity holdings, we've got a team that keeps a very close eye on things to make sure the rationale for remaining in our portfolio is there.

I think one of the obvious risks out there at the moment is all the money



Peter Fletcher

that's been flowing into fund-to-funds. There are some huge amounts and, having monitored this closely over the years, it's quite frightening actually because many of the fund-to-funds say, "well, yeah, we can allocate... no problem" and they get larger. Some of them have \$15 million or \$150 million tickets minimum. I don't know where you place that these days. This money is moving into so many funds that they're all likely on the same trade positions. And now, of course, we're seeing large redemptions. In another month there will be an even larger inflow of redemptions. Managers, some of them very good ones, are getting redemptions because that's where investors can retrieve it at the moment.

I see the whole industry changing quite dramatically and I don't consider it a matter of fees. I consider it a matter of people seeing higher degrees of risk – however you define it – and being very worried at the end of the day. They want to make sure that they get their money out, or go back to cash and reassess from there.

Michael Tannenbaum: *When I look at risk, I see the world through a lawyer's eyes: in terms of the structure of the particular deal, the institutional and counterparty risk that one can get into with a prime broker.*

Let's follow this theme for a moment. Several of you stated that many of your investors are looking at managed account structures, either instead of funds or in addition to funds. That immediately reduces the level of risk for the investor. The investor in the managed account continues to remain the owner of those assets and the manager is given some kind of discretionary power or limited power of

"We define risk as a probability of permanent loss of capital not volatility."

Peter Fletcher

appointment over those assets to manage them. But the title and the direct ownership and the ability to pull the plug, if you will, remains with the investor. That's unlike the case of an investor investing into a hedge fund or some other structure where title to those assets have been moved into that fund entity and commingled with assets that are similarly deposited by other investors. It's clear that investor appetite at the larger end is starting to shift towards managed accounts and that's clearly changing the risk parameter in terms of title of the assets. Are you folks seeing that as well?

Peter Fletcher: Yes, very much. It sounds easy but it quickly becomes very complex as to your earlier point, Michael, which is regulation in each country and the various securities laws. From my perspective, it seems to be tightening up globally. We've done a lot in Canada, the United States, the UK, Hong Kong, Australia. The amount of time spent is exponential. Even if you have one setup, each and every time you do a new one it's like a brand-new adventure.

Michael Tannenbaum: *From my perspective it's not only when you want to make a trade, there are allocation issues. You may have different cash positions in different accounts and therefore have*

Commentary: A Remarkable Year

By Pauline Modjeski, President

The word, “remarkable”, as defined by Webster's Dictionary, means “worthy of notice, especially for being uncommon or extraordinary”. It's no stretch, therefore, to call 2008 a remarkable year, given the series of events - many of them, unprecedented or record-setting - that have transpired over the past 12 months.

Examples:

- The S&P 500 is down more than 40% this year and is likely to experience its worst year since the Great Depression
- Losses/writedowns at the largest global financial companies now total almost \$1 trillion
- Earnings at U.S. companies have now dropped five consecutive quarters, equaling the longest streak on record
- The federal deficit is on pace to exceed \$1 trillion which, if realized, will be more than twice the size of the all-time high shortfall

As we all know, the hedge fund industry has not been immune from the turmoil in the markets. While still generally outperforming equity and debt markets this year, hedge funds are likely to post their worst performance year on record. According to Hedge Fund Research, Inc.'s Fund Composite Index, hedge funds have lost 18% of their value through November. As a result, fund redemptions have been stunningly heavy (a combined \$106

billion in October/November), leading some experts to conclude that as much as a third of all existing hedge funds will either merge or shut their doors by this time next year.

And, as if the hedge fund community didn't have enough challenges, now comes word of Bernard Madoff's alleged Ponzi scheme in which clients of his investment advisory firm - many of them hedge funds - have reportedly lost as much as \$50 billion. While this sad and extraordinary case will take months to work its way through the criminal and civil courts, this much is certain: greater oversight and stricter regulation of the investment community - likely focused on financial advisors and the hedge fund industry - is inevitable.

“...some experts conclude that as much as a third of all existing hedge funds will either merge or shut their doors ”

Closer to our world (cash management), there were two remarkable events - Lehman Brothers' bankruptcy in mid-September followed quickly by the Reserve's Primary Fund becoming the first money market fund

in 14 years to “break the buck” - that achieved notoriety by putting investors' cash at unnecessary risk. In each instance, client monies that were commingled, rather than held in separate accounts, produced a devastating scenario in which those who were slow to exit were left holding the most illiquid of securities. Take a look at the back cover of this issue to see an illustration of this “domino effect” in action.

Since its inception in 1991, Horizon has preached the wisdom of *asset diversification* (keeping excess cash separate and distinct from one's broker-dealer or clearing firm), *separately managed accounts* (so as to avoid commingling), *custodial protection* (making certain that cash is housed in a custody arrangement) and *daily transparency* (it's essential to know your positions, money movements and earnings each and every day).

While we don't claim to possess a crystal ball, there's a high likelihood that 2009 will reveal a new and even more challenging set of events that could result in the coming year being as “remarkable” as the one just concluded. To optimize the chances that whatever 'uncommon or extraordinary events' work in your favor, rather than against, we encourage you to stay watchful, exercise prudence and make sure the cash component of your investment portfolio is actively managed. These are sound practices that will serve you well, no matter the circumstances. ■

The Regulatory Threat in Washington

**By Richard H. Baker, President/CEO –
Managed Funds Association**

The political fallout from Congress' passage of the \$700 billion financial rescue package will create new regulatory challenges for our industry. There is a new mantra in Washington that corruption and greed on Wall Street is systemic and responsible for the nation's economic woes. This is a pervasive sentiment in the cloakrooms of both parties and it is shared by both of the presidential candidates.

The Emergency Economic Stabilization Act is the rare bill that passes in Congress out of necessity, not popularity. American people were overwhelmingly opposed to a legislative solution that they believed was a bailout of Wall Street at the expense of Main Street. Members of Congress and Senators from both parties held their noses when voting for the rescue package.

While Congress is to be commended for bucking the political winds and passing a bill that was needed to restore investor confidence, ease the credit crunch, and avoid a collapse of the nation's banking system, there will be considerable pressure after the November elections to impose sweeping new regulations on the financial services industry.

The rescue bill contained a provision that authorizes a Congressional Commission to analyze the current state of the regulatory system

governing the financial markets and provide recommendations for improvement.

These recommendations are to include whether any participants in the financial markets that are currently outside the regulatory system should become subject to the regulatory system and whether there are any gaps in existing consumer protections. The work of this commission, which will be completed by the end of January, will provide the impetus for a big debate on how to avoid future crises in our financial system.

I am particularly concerned about the impact this debate will have on the hedge fund industry. The Securities and Exchange Commission's (SEC) emergency orders on short selling provide a stark reminder of how politics can drive bad policies. There was no legitimate evidence to support the SEC's conclusion that prohibiting the short selling of financial stocks would have a positive impact on the companies that were mired in financial difficulties related to poor business decisions and a lack of effective risk management strategies. Nevertheless, the SEC moved forward with a broad-based prohibition on short selling that further reduced liquidity in the markets, increased volatility, and hamstringing the ability of pension funds and university endowments to hedge their risks.

MFA launched an aggressive campaign against the SEC's short

selling rules. We engaged in direct conversations with Chairman Cox and his senior staff to reinforce the vital role that short selling plays in price discovery and the promotion of efficient markets. MFA conducted a series of media interviews and

“... short selling plays a vital role in price discovery and the promotion of efficient markets”

briefings with prominent media organizations such as the Wall Street Journal, New York Times, Financial Times, and CNBC and CNN to pushback against the rationale for the SEC's short selling rules and to explain their negative impact on the capital markets and our economy. Our efforts convinced the SEC to withdraw its proposal to require the public disclosure of short positions, a policy that would have jeopardized the proprietary strategies of hedge fund managers and created an unintended increase in the shorting of stocks.

In addition to the regulatory encroachment on short selling, our industry was forced to confront an equally misguided effort in Congress to impose new restrictions on the trading of oil futures. This legislative

threat was fueled by a high-profile and multi-million dollar lobbying campaign by the airline industry to “crack down” on an alleged speculative oil bubble. The MFA-led Coalition to Protect Competitive Markets ran an aggressive advertising campaign in Capitol Hill newspapers and utilized the Internet and outreach to political and financial reporters to make a forceful and credible case that rising oil and gas prices were the result of supply and demand forces, not speculative investment. Our efforts contributed to a major shift in the views of opinion elites, with editorial pages from influential newspapers across the political spectrum rejecting the notion that investors were behind the run-up in energy prices. Our campaign was bolstered by a report issued by the Commodity Futures Trading Commission in September that found that investor activity in the oil futures markets declined during the same period when prices were rising.

We are currently embroiled in another serious situation fueled by the decision to allow Lehman Brothers, Inc. to fail. MFA is deeply concerned about the systemic risks resulting from the Lehman insolvency, including the loss of an estimated \$40-\$70 billion in liquidity now frozen at Lehman Brothers International Europe (LBIE), the potential destabilization of financial firms as assets are moved away from prime brokers and the

potential failure of firms with significant financial exposure to LBIE. MFA has sent a letter to the Bank of England to urge intervention that would expedite the release of client assets. MFA’s letter offers recommendations for an expedited administration process that would reduce systemic risks, inject much-needed liquidity and financial stability into capital markets and promote the ongoing viability of the UK’s prime brokerage industry. We continue to work toward a solution on this urgent matter.

I am proud of MFA’s efforts to manage the regulatory threats presented by the SEC and Congress on short selling and oil futures

“we will have to be vigilant in communicating our key messages”

trading. With the guidance and support of our membership, we waged a strong effort to defend the industry’s interests and to explain how these regulatory actions would have hurt average Americans and our economy. There will be many more challenges in the new year that we will have to confront head on.

In addition to the threat of new regulations, there will be another push to increase the taxation of carried-interest income. The new president and Congress will have to grapple with a budget deficit that is likely to exceed \$500 billion a year. With the economy headed into a deep recession, the budget outlook is likely to grow bleaker, increasing the upward pressure on taxes.

While I believe our industry will be in the crosshairs of regulators and lawmakers in the weeks and months ahead, I want to close on a positive note. I believe we have a compelling story to tell. Few Members of Congress and Senators have a firm grasp on the positive impact hedge funds provide to Americans from all walks of life. This provides us with the opportunity to alter perceptions and mitigate the impact of new regulatory actions. We will have to be vigilant in communicating our key messages and refuting the myths about our industry, but we have real opportunities to create a greater awareness and appreciation of the contributions our industry provides to the economy and the nation’s standard of living. ■

Richard H. Baker is President/CEO of the Managed Funds Association, the voice of the global alternative investment industry. MFA members include the vast majority of the largest hedge fund groups in the world. To learn more, please visit www.managedfunds.org.

Hedge Fund Roundtable Continued

CONTINUED FROM PAGE 5

different decision processes with respect to which positions to put in which account. The issues quickly become: who is monitoring all these various accounts and who is aggregating them? It can be a real administrative nightmare.

Matthew Koenig: We're actually seeing some of this move to managed accounts as well because, as mentioned before, there are funds that are performing well but because they have deepened liquidity, the fund-to-funds are pulling money out of them. Some of these funds are being closed as a result of that. I believe there are two ultimate consequences of this: first, you'll clearly have funds with bigger lockups or lockups that extend beyond the traditional year or two. Second, we're beginning to see funds moving from a private equity model to a managed account, where you don't need to worry about all the other investors potentially getting out and being stuck with the illiquid investments at the end of the day. That shift is most definitely beginning to occur.

Michael Tannenbaum: *And what about the institutional risk? Given recent actions, how worried are you with respect to the long-term financial health of prime brokers and other institutions? What steps are you taking to protect yourselves and your investors?*

Lauren Chung: We've received a lot of investor questions over the past nine months on the financial health and continued viability of our primary brokers. That's a notable difference from past years managing our portfolio. What we've done is checked with our lawyers and made certain that our assets are in regulated entities within the

prime brokers. We've also affirmed that those regulated entities have met capital requirements and that they truly segregate customer assets. Our understanding is that property in the name of the customer has higher priority; without that, the assets would be subject to creditors. Most of our assets are in Tier 1, so we've gotten comfort from our investors on structure.

Michael Tannenbaum: *Let's talk more about the issue of prime broker risk. The entities are so complex these days and there are so many corporate entities within a prime brokerage world that it becomes very important to know which entity you're dealing with. Without mentioning specific names, every major prime broker has dozens, if not hundreds, of different entities responsible for different areas. Here's a key question: how careful must you be to make certain that the entity with which you're dealing with on a counterparty basis is in fact an entity guaranteed by the parent company versus one set up as a special purpose vehicle expressly for your deal? With more financial institutions under stress, and in extreme cases collapsing, are you worried about the health of prime brokers?*

"We're beginning to see funds moving from a private equity model to a managed account."

Matthew Koenig

Virginia Reynolds Parker: We worry quite a bit and last fall we first started serving each of the hedge funds that we allocate to understand exactly where their prime broker risk is, what they were doing and what we were seeing last fall by some of the more sophisticated hedge funds. And some of them have been doing this for awhile anyway because they've gotten so large that they had multiple prime brokers. Some of them had already been taking any excess funds that they may have had with certain prime brokers and moving them away. And then interestingly in the spring I was speaking to some of the hedge funds who have a lot of swap counterparty relationships and asking them what they were doing to protect themselves. One of them made an interesting comment to me that he had gone to one of the investment banks and made the comment to the investment bank that their fund, this hedge fund that we're invested in, was only levered 2 to 1 and that was significantly less than the investment bank and therefore they were in more credit than the investment bank. And some of our managed accounts have had to set up fairly significant swap counterparty relationships so we've been diversifying those relationships. We set up the agreement so that we're settling on a monthly basis and trying to get any excess cash out as soon as we can. This is to ensure we don't leave extra monies with anyone that doesn't have to have them. As a result, we aren't moving the same cash back and forth.

Michael Tannenbaum: *So you're in the practice of sweeping those assets as they become due and move them over to your side of the ledger?*

Virginia Reynolds Parker: Exactly.

Michael Tannenbaum: *Yes, that's a smart practice. In those swap agreements, the provisions that as recently as 5 years ago may have not been negotiated – such as “set off provisions” (in those cases in which one party becomes insolvent, having opportunity to set off those obligations against credits of the other party or collateral provisions) – used to be almost automatic: it was the hedge fund that gave collateral to the bank or the institution or the prime broker. Now, it's a fairly large discussion and negotiation point. Perhaps the collateral should be running from the prime broker to the fund. It's no longer a given, which is a healthy thing but for the fact that there's financial distress. In terms of the relative leverage of the two parties, however, I think it's probably become more of a healthy situation.*

Peter Fletcher: In 1997, we went out to all our managers who I know removed excess cash away from the prime brokers. These days, we are also checking rehypothecation qualities. More to the point, we're keeping it very simple these days. For example, earlier this year we bought credit default swaps on our prime brokers. But they're very complex instruments, so we decided just to keep things very simple going forward and not get into many derivative strategies that aren't exchange-traded at the moment.

Michael Tannenbaum: *Speaking of prime brokers, are you seeing firms beginning to engage more and more prime brokers, not simply for pricing reasons but to give the fund the ability to jump from one prime broker to the other in the event one of the prime brokers is exhibiting some distress?*

Peter Fletcher: There's certainly more and more of that. I'm on the board of quite a few funds that are obviously looking to review those relationships.

The new entrants – actually, not really new but ones with cleaner balance sheets and not as tainted – are trying to take up the slack.

Aaron Boesky: We're definitely seeing clients work to build more relationships with prime brokers. They're focusing on where the cash is. The cash management part of the process matters terrifically. Cash has become a huge focus, and clients are monitoring those assets much more closely than ever had.

Michael Tannenbaum: *Let's talk a bit about risk as observed from the auditors' side. Matthew, how have you seen the industry change over the last 10 or 15 years, in terms of what the large accounting firms and auditors of the world are looking at? How has the business model changed?*

Matthew Koenig: Over the past decade, the industry has matured greatly and, as mentioned previously, has become quite a bit more institutionalized to investors. Fund administrators and the larger hedge fund complexes, particularly, are extremely sophisticated. From an audit perspective, our work used to be substantive audits in which you agreed position by position to broker statements. The industry has clearly shifted, most particularly over the past 3-4 years, so that we're viewing more of a control base from an audit perspective. What that means is that we are looking at controls and different processes, similar to what we would do on public companies.

Quite a few administrators use a report that looks at and assesses their controls. Many of these administrators and the

bigger hedge funds have those controls internally, which we'll examine from an audit and risk perspective. In the past year we've seen a lot of focus on evaluation. FAS 157 was issued, obviously. But there's quite a bit of work dealing with the challenges of the current credit crisis and how one determines valuations. We're working closely with clients on that issue. It's been one of our key challenges over the past 12-18 months.

Michael Tannenbaum: *Let's talk about FAS 157. From a lawyer's vantage point, FAS 157 is the legal aid bill for the next two or three years.*

Matthew Koenig: Because of it, we're spending lots of time with clients. From our perspective, there two major aspects to it. Obviously, one looks at the actual valuation of a portfolio and making certain it adheres to FAS 157. Ultimately, this will help make funds more easily comparable when looking at financial statements. It's led to an increased scrutiny of value methodologies, which in turn increases the pressure for more robust valuation, processes and procedures. This is a great thing. Even if a number of the securities end up being Level 1 or Level 2, the funds are going through a process that updates their pricing policies and procedures, and importantly makes sure they stay current. Given what the markets are doing, it has made things a bit more challenging in terms of validating the input and observability on the credit side of things.

Michael Tannenbaum: *I concur. There's going to be a good deal more emphasis on the methodology that relates to valuing portfolio positions and portfolio investment positions than ever before.*



Matthew Koenig

Hedge Fund Roundtable Continued

Matthew Koenig: The difference between Level 2 and Level 3 is a very big deal. Where the industry is right now is that for a fully functional fund, there is subscription redemption activity. The FAS 157 perspective might be stated as what level a willing participant might come and buy. The current view is simply a starting point. You might make the case that you're in the middle of a lockup. Maybe there's an ambition that you're going to sell at a premium. However, if you want to sell it to another investor you've got to get the General Partner's approval. This may produce different redemption features and so forth that may offset it. So I think at the end of the day most hedge funds are probably getting to an NAV form valuation of those funds. It begins to get a bit more gray – and this is happening at an accelerated pace – when funds start freezing redemptions, then imposing their gates. At this point, you really need to look carefully at what another market participant might want in order to engage: will he want additional return to buy that investment? Will the manager look to sell or value that as more of a discount? Clearly, there will be a lot more discussion and some type of documentation around how you get comfortable with NAV or, if you discount, something close to that.

Virginia Reynolds Parker: We haven't had issues with it that we've had to address yet.

Michael Tannenbaum: *It's coming. A key component, indeed the underpinning of FAS 157, revolves around the notion of liquidity. The Level 1, if you can call your broker and sell the idea in stock, is liquid and therefore the value is known. The valuation mechanism is clear, on the stock*

exchange. But the notion of liquidity really should change definitionally as you go from one asset to the next. My home is not liquid in the stock exchange sense, but in terms of other homes it's saleable and therefore has a value. The fact that I can't pick up a phone and call a broker to sell my house by 3:00 this afternoon doesn't mean the house doesn't have value. So I think the notion of liquidity needs to be fine-tuned a little bit as it applies to varying asset classes.

I don't think the definition of liquidity is being taken into account nearly enough in FAS 157. I think that as the comments come in from legal groups as well as accounting groups and industry groups we might see that change.

Matthew Koenig: Yes. I think liquidity is a factor. But it's clear that the observability – validating the input – is really driving a lot of the 157 requirements. To be sure, they're all interrelated.

Michael Tannenbaum: *Are any of you are involved in the U.S. tax exempt market?*

Peter Fletcher: Not us.

Virginia Reynolds Parker: We're not.

Aaron Boesky: At Marco Polo we're actively pursuing tax exempts.

“The notion of liquidity really should change definitionally as you go from one asset to the next.”

Michael Tannenbaum

Michael Tannenbaum: *I'm not sure whether you have funds that are designed for tax exempts, or if you keep them under the 25% level so as to tuck under the “planned asset” rules of the Department of Labor.*

Aaron Boesky: Right. That's our first strategy. So first we want to fill up that quota and we're going to look at it after that.

Michael Tannenbaum: *We're seeing more and more clients actually creating ERISA-only funds. I like to say that the big problem with the ERISA rules is having fallen into them when you don't know you have fallen into them: going over 25% by mistake, for example. But once you're prepared, assuming you're a registered investment advisor and you have a good set of books and records and you're instinctively treating your investors right (as I'm sure you all are) it's not the end of the world to exceed those limitations, assuming you know what they are.*

Lauren Chung: Yes. This is Lauren Chung. We are actually QPAM (Qualified Professional Asset Manager). While it's not currently the case, at one point we had institutional investors that were ERISA funds. So, in order to accommodate them we registered and became a QPAM.

Michael Tannenbaum: *Let's talk a bit about consolidation of managers. Have you seen more and more people be approached to consolidate? Are you seeking or have you been approached by seed investors?*

Lauren Chung: Well, we've been approached by a lot of seed-type partnership deals initially before we launched. We considered but didn't actively pursue that. We launched the fund independently. That was a business decision that we consciously made. Not

only did we meet with a lot of seed investors initially, but we continue to come across different deals presented to us occasionally.

Michael Tannenbaum: *Virginia, have you seen this as well?*

Virginia Reynolds Parker: Not really. We've certainly seen organizations setting up platforms and then attracting managers to join those platforms. This provides the individual managers a real benefit of not having to establish the business and risk components of their organizations. This year, however, we've seen more hedge funds going out of business whether they be small or large.

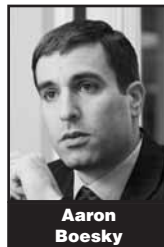
Aaron Boesky: Here in Asia, we've seen some funds that have gone public. In the past year and a half, however, we've had others who have performed due diligence on existing managers with the result selling of 30% to 50% stake in those managers. As we look at our current client base, a much higher percentage of them are now owned by some of the big investment banks both in the U.S. and overseas.

Michael Tannenbaum: *We're certainly seeing that in our client roster. Not only the initial seed, as Lauren mentioned where capital comes in to get a young manager off the ground, but also investment into existing managers. These are simply passive investors who want a piece of that existing manager. From an audit standpoint, what themes or issues that may not have existed 3 to 5 years ago are you seeing now, Matthew?*

Matthew Koenig: From our firm's perspective, we are doing a lot more audits of the advisor. Whether it's counterparties or potential investors looking for financials, we're performing

many more audits of those companies.

Aaron Boesky: We're often approached by seed or strategic-type investors. While it's not something we've honestly entertained, it seems to be a recurring theme in the market. We've been approached by more than a dozen of those groups. And as far as consolidations or managers shutting down we haven't seen much of that yet in Asia. I, for one, wouldn't be against "thinning the pack" a little bit. Despite the tough market conditions, we've



Aaron Boesky

"I, for one, wouldn't be against 'thinning the pack' a little bit."

Aaron Boesky

actually seen net subscriptions this year. So, while we're doing fine, it would be advantageous to see some "weeding out" of competitors.

Michael Tannenbaum: *Do any of you see the hedge fund community adopting what I'll call the "private equity model": a closed end arrangement in terms of capital contributions, 3-year or 5-year terms, clawback? These might be folks looking around the neighborhood and observing hedge fund managers with an open-ended model, and no clawback to worry about. These managers seem to be looking to place more of the hedge fund flavor into their private equity fund. The reverse is true, as well. Some hedge fund managers look around their neighborhood and conclude*

that, "we like the private equity model because we can probably raise more money. We'll just get commitments that we'll call later, rather than obtaining cash up front." Lawyers view this as convergence, in that the identities are designed to mimic the best attributes of both. And, of course, there are side pockets established as well. Have you seen examples of this?

Peter Fletcher: We're more structured. Certainly there are hybrid accounts. And if you look around the hedge fund universe at this moment there must be billions of dollars taken in fees from valuations that can't be sold. This is going to come back to haunt the industry someday, it if indeed is still considered an industry. Side pocket is another issue, which we simply try and stay away from. That becomes another fun thing for investors to digest.

Let me go back to your comment on seeding. We've seeded a lot of hedge funds over the years, not because it's our business, but because it was part of our asset allocation. For example, we were very early into commodities and energy and other spaces when nobody was doing it, so it became easy. But it's a very difficult game. As with most things, when someone sets up a business to hedge or to seed a hedge fund manager and it's successful, it's great. But often, as soon as they become successful – and we've always had quite a few successful ones – the dynamics change. Not unlike venture capitalists, they sometimes forget where they came from. On the other hand, you can expedite the process by putting the proper infrastructure, documents, governance in place and bring them along smartly. We have a few right now, in which we're doing just that. We have independent risk managers that we

Hedge Fund Roundtable *Continued*

supply now and will be supplying to every investor to help them gain more information on the fund and what's going on there.

Michael Tannenbaum: *Very often a successful seed effort would include the exit mechanism, anticipating not only the non-compete clauses and unsolicitation clauses but the core mechanisms being built into the initial seed arrangement so that you founders don't have to sit there, three to four years after the seed arrangement in a tense conference room, trying to remind others that "we were there at the beginning".*

Peter Fletcher: We also don't cap things or put a time limit on it, because it's none of our business. It helps incremental returns going forward.

Michael Tannenbaum: *And it's been successful activity so far?*

Peter Fletcher: Yes, very successful actually. When you have a couple of hits the returns are more than you made on the fund investment. One of you mentioned Asia. I recently read that, of 850 funds, 50 have shut this year.

Michael Tannenbaum: *Is there a particular theme that goes throughout those funds? Are they all distress funds or what?*

Peter Fletcher: No.

Michael Tannenbaum: *Well, it's fair to say they've all become distress funds – albeit inadvertently – but how did they begin?*

Peter Fletcher: I think it simply reflects a lack of agility to raise money and a very down market. As I stated earlier, it's a case of entirely too much money washing around looking for a home. Also, Asia is very data-driven. You can do – and in our case, have done – a lot more sales than we could 10

years ago. We can ask for other structures and the manager has to be really good to justify the fees that they're charging these days.

Michael Tannenbaum: *What does the group think is the toughest thing at the moment — because I think the answer changes from year-to-year — for new startup managers? What's the biggest risk apart from the training that new managers face these days?*

Virginia Reynolds

Parker: I think it's the inability to raise money. Some managers are quite well-known and they do a great job raising money. In fact, on a performance basis, they may not necessarily be successful. Others aren't nearly as well-known and don't know really how to go about raising the money. Sometimes the individuals in this latter group have good track records, but they haven't figured out how to make themselves be found. If a manager like that got started two years ago, I think with the recent market sell-off, it would be increasingly hard to attract new assets being a less well-known fund. And by now, it becomes virtually impossible to attract new monies unless you've done spectacularly well in this market.

Peter Fletcher: Going back to the mid 1990's, we looked to hedge funds as a risk control in our portfolio: to protect on the down side. Not that you wouldn't lose money, but that you'd get stopped out. That's certainly the case this year. In our judgment, a lot of managers have been hugely disappointing because they get paid for being observant and knowledgeable. But this year, it's been like watching a



Virginia Reynolds Parker

train wreck in slow motion. You could see this coming, yet nobody seemed to hedge properly and to protect the portfolio properly and the numbers show huge swings. These days – and who knows for how long? – it's very difficult for anybody to raise money because everybody is drawing back and not looking to allocate risk capital in the marketplace.

Michael Tannenbaum: *One of the major themes we've seen is good old-fashioned infrastructure risk: talented managers coming from large institutions where everything was done for him or her, now immersed in managing the checkbook, paying the rent, dealing with lawyers and auditors and simply getting their structure set up. Notice, I haven't mentioned having the ability to raise capital.*

Matthew Koenig: You've hit on a very interesting point about what to expect when launching a hedge fund management company or an investment advisor. I tell this to anyone who's about to come into the business. There's a lot more to the business than picking stocks. I would reemphasize what a tremendous amount of administrative work, legal responsibilities and business concerns exist. From understanding intellectual property to employment law, from securities regulations to auditing and in-house administration. As Ginny mentioned, there's a real value to those firms that offer pre-arranged platforms for fund managers.

Virginia Reynolds Parker: I was struck by something you said earlier, Aaron, that makes a huge difference for newer managers. And you guys were smart, in doing this from the beginning. You had business people running the business side of your organization and

taking care of all the operational issues, so that your portfolio manager could concentrate on the investment side.

Aaron Boesky: That’s precisely what we thought, Ginny. We brought in four internal CPAs, a lawyer, an ex-securities regulator. We’ve endeavored to confront it head-on, but I can also see the virtues of a manager opting to sign on to an outside resource to have it done for him as well.

Michael Tannenbaum: *I can tell you that having that operational competence puts you in very good stead when you’re answering due diligence questions, because that’s – by law – one of the questions institutional investors ask. The decision to send a chunk of money to a manager is too important to be made on a golf course. Those days are gone. As we wrap up, what do you see in store for us in the next few years?*

Peter Fletcher: I think you’re going to see a huge change because I see more and more families like ourselves doing things together. As I said earlier, there are just too many funds out there. You’ll always have hedge funds – though we don’t know how many will survive. And fees aren’t really an issue, because if you

“I imagine we’ll see an entire paradigm shift.”
Peter Fletcher

get the returns 2 and 20 seems fair. The notion that “everybody’s above average; everybody can pick the best investment or the best investment manager” is gone, perhaps forever. I imagine we’ll see an entire paradigm shift, in which the industry goes back to more

traditional investments. The entire structure of the hedge funds universe is going to change dramatically. You won’t have the number of funds that you’re having now. Certainly you’d hope a lot of institutions will wake up and figure out that their portable alpha strategies didn’t work over time.

Virginia Reynolds Parker: Well, securities are pretty cheap at the moment and they’ll probably go cheaper. I see more difficulty through year-end, and probably some pretty big redemptions just about the time that the markets start to work again.

Aaron Boesky: As I mentioned before, I’m eager for some “weeding out”. I think that the industry has expanded as it should have. Over time, it performed very well, with a lot of expansion historically in so many different directions. The current contraction will trim away the weak. Hopefully, we’ll see the natural market mechanism of that and the continued evolution towards better talent and better shops which offer more and more innovative products. Our community serves as the vanguards for the financial industry and I truly believe it will remain that way. But this dramatic contraction will definitely produce victims.

Matthew Koenig: I echo many of the things just said. We’d hope, after this period of contraction, that allocations to the hedge fund industry will continue to grow. Clearly, the bigger fund complex is getting even bigger and the smaller and medium size ones are going away. We also expect to see a continuation of the industry looking for new products. That activity will continue and the community will get smarter and more sophisticated about

the products it offers, the risks it manages and its operating principles.

Lauren Chung: In our sector, we’ve seen a lot of healthcare firms close down in the last couple of years. I’d agree with what was said earlier: success is as much about having a good infrastructure and sound operations as it is being a smart investor. If you simply look to run a portfolio, I think you’re better off joining a large firm and being allocated capital. On the other hand, if you have a sound business plan and a clear process of generating returns while

“The idea of managing a hedge fund still offers a lot of opportunities”
Lauren Chung

protecting the downside risks, the idea of managing a hedge fund still offers a lot of opportunities. I’m not sure about the constant search for new products. In our case, we don’t necessarily have to go to emerging markets to generate returns. There is definitely room for other hedge funds – if they manage themselves as businesses – to succeed.

Michael Tannenbaum: *I do think that the regulatory structure and tax structure in various jurisdictions will become more integrated and that will have a greater impact than ever before on managers and the methodology by which they do business. Good ideas championed by smart, insightful managers inevitably find ways to generate above-average returns with prudent levels of risk. I see no reason that won’t continue.* ■

From the Bookshelf

The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What it Means

By George Soros

Public Affairs, 162 pages (2008)



In the parlance of retail marketers, George Soros' recent book, "The New Paradigm for Financial Markets" is a "two-fer": a thin tome that provides readers the wonderful

value of two books for the price of one. Unfortunately, the first half – called "Perspectives" – is an unduly long treatise of Soros' long-held operating philosophy ("reflexivity"). First articulated in Soros' 1987 book, "The Alchemy of Finance," reflexivity has been described by some as equilibrium theory's exact opposite. Stated simply (something Mr. Soros has difficulty doing), reflexivity asserts that the market tends toward disequilibrium that, when achieved, dramatically reverses sentiment and produces a never-ending series of 'boom-and-bust' cycles.

Having closely examined the current financial crisis through the lens of reflexivity, Soros assigns blame to two parties – market participants and market regulators. The former, he observes, had access to (and employed) wildly excessive amounts of credit and leverage; the latter consistently ignored and/or misinterpreted distress signals from the markets.

The second part of the book is vastly more enriching and useful. Here, Soros carefully describes why the current financial crisis is unlike any that preceded it – e.g. the failure of Long-Term Capital Management in 1998, the technology bubble of 2000 – and why its eventual resolution will truly mark the 'end of an era'. This section of the book, however, does not merely look to the past. Instead,

Soros offers some general conjectures as to what the future holds.

Peering within his crystal ball, Soros observes:

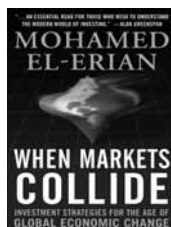
- A six-decade period of credit expansion, based upon the U.S. exploiting its position at the center of the global financial system, has come to an end.
- Sovereign wealth funds are likely to emerge as the lenders of last resort.
- Monetarism is a false doctrine. Starting now, monetary authorities have to be as concerned with avoiding asset bubbles as with wage inflation.

For those who have the temerity to negotiate the first half of this book, the second half offers great insight. ■

When Markets Collide: Investment Strategies for the Age of Global Economic Change

By Mohamed El-Erian

McGraw-Hill, 298 pages (2008)



Who better to serve as tour guide to the newly-emerging global economic landscape than Mohamed El-Erian? Born in Egypt, schooled in England (obtaining his undergraduate and master's degrees from Cambridge University, then obtaining a second master's degree and doctorate from Oxford University), El-Erian has applied his intellect and talents to such respected institutions as the International Monetary Fund and Harvard University's \$35 billion endowment fund. Currently, El-Erian is co-CEO of PIMCO, the world's largest bond investor, whose assets-under-management are nearly \$800 billion.

El-Erian writes simply yet colorfully, providing easy-to-understand explanations of how the global economy

is undergoing seismic change. His observations are both startling and provocative:

- Poorer (or emerging) countries are now lending to wealthy (or developed) countries, transforming them from debtor regimes to creditor regimes.
- As a result, for those seeking to understand global economic developments, it is no longer sufficient to get the United States, Europe and Japan right. One will also have to get the emerging market economies right.
- Global allocation of capital – and related moves in asset prices – will increasingly be influenced by sovereign wealth funds, which themselves will likely shift away from fixed-income investments toward higher-risk instruments.

El-Erian writes at length about hedge funds – suggesting that they should indeed play an important role in portfolios. Noting the "inherently fragile structure" of hedge funds, he likens them to thoroughbred horses: "Even those that have done extremely well in the past can suddenly stumble if the terrain changes, occasionally with disastrous consequences." El-Erian also comments eloquently on the moral hazard debate, noting that regulatory officials will for the foreseeable future likely continue to overreact to financial crises, so as to minimize the cost of systemic disruptions. Unfortunately, the author warns, the regulator's willingness to solve problems is likely to exceed his ability and effectiveness in doing so because "the policy instruments were built for the world of yesterday and not the world of tomorrow."

"When Markets Collide" is a must-read for anyone interested in learning more about the dynamics of the new global economy and what steps one should take to ensure the next financial cycle will be virtuous, rather than vicious. ■

Horizon News

Randy Burgess (Horizon's Director of Technology) and his bride, **Megan Schemmel**, recently returned from a 10-day honeymoon in Costa Rica. Randy and Megan picked Costa Rica for a variety of reasons, not the least of which was the opportunity to sample the country's diverse natural wonders and varied climates. Costa Rica is noted for its scenic beaches, lush rainforest and exotic wildlife.

Ecotourism is also a huge part of Costa Rica's draw. This is no surprise, given that over a quarter of the nation's total land mass is designated a national park or nature conservancy. Further proof: although Costa Rica represents less than one-tenth of a percent of the world's total land area, 5% of the world's biodiversity



The entire staff of Horizon Cash Management wishes you a happy, healthy and prosperous 2009!

can be found here. In addition to walking through the rainforests on suspended rope bridges (as shown to the left), Randy and Megan had the opportunity to observe Arenal, one of the ten most active volcanoes in the world.

The warm and friendly voice you're most likely to hear answering Horizon's phones is that of **Victoria Hogan**, who joined the firm as Administrative Assistant in November. A Chicago native, Victoria most recently worked in college admissions for the online division of Colorado Tech University. In her spare time, Victoria writes, plays piano and volunteers at a homeless shelter.

Taylor Nigro has joined Horizon as Director of Sales. Taylor has more than

20 years of broad-based sales and trading experience in the financial services industry. Accomplished in raising capital and in solution sales, Taylor has worked at several brokerage firms (e.g. Wachovia Securities, Raymond James & Associates, Westminster Securities), was a sales trader on the New York Stock Exchange and provided investor relations at a hedge fund company.

Taylor will be based in Princeton Junction, NJ – ideally suited to call on prospects in New York City, Connecticut and throughout the northeast corridor – and will concentrate his efforts on the hedge fund community. Please join us in welcoming Taylor to our team!

Conference Calendar

Look for Horizon Cash Management at these upcoming industry events.

GAIM USA - January 25-28 - Fontainebleau Resort, Miami Beach

MFA Network - February 8-10 - Ritz-Carlton, Key Biscayne

Contributors Welcome

FOCUS invites its readers to submit articles and essays for publication. If you have an idea you'd like to explore in print, please contact Brian Hurley via email (brian.hurley@horizoncash.com) or phone (312) 335.8500.

FOCUS, the newsletter of Horizon Cash Management, is published quarterly.

Diane Mix Birnberg – Publisher
Brian Hurley – Managing Editor

Opinions expressed in FOCUS are those of Horizon Cash Management or, for articles submitted by outside contributors, solely reflect the opinions of those authors. This newsletter is for informational purposes only, and is not an offer or solicitation to buy or sell any securities.

Horizon Cash Management LLC
325 West Huron, Suite 808, Chicago, IL 60654
t 312.335.8500 f 312.335.8501 • www.horizoncash.com

Our policy on cash management: "Play solitaire, not dominoes."



If your cash is managed with everyone else's, with one set of investments for all, whatever bad thing happens to them can also happen to you (dominoes). Things like premature withdrawals by larger investors, failure scenarios of fund managers, clearing firm actions, and so forth. That's why Horizon manages your cash individually, customized rather than "off-the-rack" and designed for your goals and your needs (solitaire).

And that's why here,

Everyone has their own Horizon.

HORIZON
Cash Management

For a free copy of Horizon's *Due Diligence Guide to Cash Management*, call Pauline Modjeski at 312.335.8500 or visit www.horizoncash.com
© 2008 Horizon Cash Management