

UWA graduate to head hedge fund group

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A University of WA alumna has been tapped to spearhead the Hedge Fund Association's expansion into Australia.

Adriana Kostov, a UWA law and commerce graduate who worked with Blackswan Equities and Hancock Prospecting in Perth before joining Sydney-based currency hedge fund Excalibur Funds Management, has been named head of the HFA's newly established Australian chapter.

With chapters across the US, Europe and Asia, the not-for-profit group helps represent nearly 10,000 hedge funds across the globe managing more than \$2 trillion.

Ms Kostov said HFA's arrival in Australia coincided with recovering demand for alternative investments as the country's increasingly powerful superannuation funds reinvested in the industry.

Her role as regional director, Australia, for the HFA will include liaison with regulators and investors as well as promotion of the industry and policy advocacy.

The expansion comes amid challenging times for the hedge fund industry, which has been hard hit in recent years by reputational issues, including allegations of insider trading at major US funds.

Just days ago, a confidential survey co-commissioned by the HFA found that 30 per cent of hedge fund workers had "first-hand knowledge" of wrongdoing in the workplace. More, 46 per cent, believed that their competitors engaged in illegal activity and more than a third had personally felt pressure to break the rules.

Six months ago, the Australian Securities and Investments Commission tightened disclosure requirements for Australian funds to recognise the "more diverse and complex risks".

The intervention followed a Federal parliamentary report on the \$123 million failure of the Illawarra-based Trio Capital in 2009.

Ms Kostov said the HFA welcomed the ASIC reforms. "The new rules and regulations may have been seen as a bit of a burden by some people, but I think for the industry in the long term they are quite a good thing," she said.

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Adriana Kostov