



NEWS RELEASE

THE CITY DEBATE 2006 – HEDGE FUNDS: TOO MUCH POWER IN TOO FEW HANDS?

London Monday 9 January: Roy Leighton and Anthony Belchambers had great pleasure in welcoming a distinguished audience to the FOA's annual City Debate which took place on Thursday 5 January 2006. Over the past ten years, the Debate has become established as an informative and highly entertaining event, providing the City's wholesale financial services community with the opportunity of coming together each year to address an issue which has the potential to affect the current and future development of the industry.

The theme for this year's debate "the role of hedge funds" – hotly debated in the press and amongst regulatory authorities - was chosen for its topicality. To discuss the issues, the City Debate welcomed Anthony Hilton, Financial Editor, Evening Standard and Dr Ruben Lee, Managing Director, Oxford Finance Group who proposed that hedge funds are a cause for concern and Michael Spencer, Chief Executive, ICAP and Jean-René Giraud, Chief Executive, Edhec Risk Advisory, Edhec Risk and Asset Management Research Centre who argued the contrary. The debate was moderated by Jon Snow, who received a warm welcome to the City Debate.

Anthony Hilton and Ruben Lee, despite the audience bias in support of Hedge Funds, put forward some very compelling arguments – but ended the evening by losing the vote to Michael Spencer and Jean-René Giraud, whose more positive view of the benefit of Hedge Funds persuaded the audience to vote in their favour. The results of the audience vote were as follows:

Pre-Debate			Post-Debate		
In Support	Against	Undecided	In Support	Against	Undecided
32%	64%	4%	24%	75%	1%

Jon Snow also asked the audience to vote on a couple of ad-hoc motions and 59.3% of the audience agreed all employers should be compelled to offer pension provision to all employees and a resounding majority agreed that the 'Lord Mayor does "one helluva job" for the UK-based financial services.

The FOA remains grateful to The Rt Hon The Lord Mayor, Alderman David Brewer and former Lord Mayors, for allowing the City Debate to take place at the Mansion House – the Debates 'home' since its introduction in 1996. The Debate could also not take place without the generosity of its sponsors. In 2006 particular thanks go to Eurex, Euronext.liffe and LCH.Clearnet.

- ENDS -

Notes for Editors and contact details attached:

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THE CITY DEBATE

The City Debate 2006 was the eleventh in a series of debates organised by the FOA and takes place each year, with the kind permission of the Right Honourable The Lord Mayor, in the Mansion House. The main sponsors of this year's City Debate were Eurex, Euronext.liffe and LCH.Clearnet. It has become a tradition of the Debate that a donation to charity is made from the proceeds from the evening ~ the beneficiaries in 2006 will be the Lord Mayor's Appeal on behalf of the Treloar Centenary Appeal (Treloar's: linking learning with independence) www.thelordmayorsappeal.org and the Alzheimer's Research Trust www.alzheimers-research.org.uk

BIOGRAPHIES

Jon Snow

Jon Snow is the presenter of Britain's award-winning Channel 4 News. Jon has also hosted a wide range of discussion programmes and a number of high-profile documentaries for Channel 4, the most recent being War on Terror Trial, Bloody Sunday Debate, Snow in Japan, The Emillionaire Show and Secrets of the Honours System. Jon was presented with the prestigious Richard Dimbleby Award for his outstanding contribution to the world of news and current affairs at the 2005 BAFTA Television Awards.

Anthony Hilton

Anthony Hilton – the Financial Editor and senior financial columnist on the Evening Standard joined Fleet Street in 1968 as a Trainee on the Guardian. He served in New York where for three years he was Business Correspondent for the London Sunday Times then returned to London to become City Editor of the Times in 1981. He then moved to become City Editor of the Evening Standard in 1984 and in November 1989 became Managing Director of the Evening Standard, a post he held for six years before returning to the City Office in 1996.

His work as a columnist was recently recognised when he won the 2003 Wincott Award, recognised as the most senior award in financial journalism and the BVCA Commentator of the year award in 2004 and the London Press Club Business Journalist of the Year award in 2005

He broadcasts regularly on radio and television, filling the commentator's slot on Channel 4's "TV Business programme" for three years, and appearing as the expert panelist on "The Stocks and Shares Show". His primary focus now is on conference and after dinner speaking.

He has written two books on the City, has a degree in Economics from the University of Aberdeen, and lives in Suffolk. He is a former parachutist but now less strenuously relaxes by cruising on England's canals

Dr Ruben Lee

Ruben Lee is the Managing Director of the Oxford Finance Group, a research and consulting firm he founded in 1992. The firm focuses on business, economic, regulatory, strategic and political issues in the financial markets. His clients include international finance organisations, governments, regulators, exchanges, broker-dealers, data vendors, custodians, fund managers, investment banks and strategy consultants.

From 1989 to 1992, Dr. Lee was a Fellow of Nuffield College, Oxford University, where he specialised in financial economics and law. He worked from 1980 to 1984 in the capital markets in New York and London for Salomon Brothers International. Dr. Lee has published widely on many topics concerning financial markets. He has provided a range of official testimony in the UK, US, EU and Canada, and is on the Advisory Panel of Financial Services Experts, established by the Economics and Monetary Affairs Committee, European Parliament, and the Conseil Scientifique of the Autorité des Marchés Financiers in France.

Michael Spencer

Michael Spencer is Chief Executive of ICAP Plc. Educated at Worth Abbey and Corpus Christi, Oxford, where he read physics, Michael Spencer's career in the City began in 1976, as a stockbroker at Simon and Coates. In 1980, he joined Drexel Burnham Lambert where he spent three years broking futures and became an Assistant V.P.

Between 1983 and 1986, Michael Spencer was a director at money broker Charles Fulton, until his involvement in the new interest rate swaps market led him to set up Intercapital in May 1986. As a specialist financial derivatives broking firm, Intercapital grew from the original four people to over three hundred world-wide, with offices in London, New York, Sydney, Singapore and a joint venture in Tokyo.

In October 1998 Intercapital merged with EXCO plc, a listed money broker, and formed Intercapital plc. Michael Spencer became Chairman and Chief Executive. The following year Intercapital plc merged again, this time with Garban plc to form ICAP plc (one of the UK's 120 largest quoted companies).

ICAP is the world's largest interdealer broker and following the recent acquisition of the BrokerTec fixed income securities businesses is one of the world's leading electronic brokers of fixed income securities. The Group is active in the wholesale market for OTC derivatives, fixed income securities, money market products, foreign exchange, energy, credit and equity derivatives.

Michael Spencer is also Chairman of the Intercapital Private Group Ltd, City Index and various other interests. In June 2003 Michael Spencer became Chairman of Numis Corporation plc.

Jean-René Giraud

Jean-René Giraud is Chief Executive of Edhec-Risk Advisory, the consultancy arm of the Edhec Risk and Asset Management Research Centre where he is also in charge of the international development and operational risk research programmes. Created in 2003, Edhec-Risk Advisory is an exclusive provider of advisory expertise in the field of Risk Management and Asset Management and influences the thought leadership of the academic research centre. Edhec-Risk Advisory operates in Europe with offices in Nice, London and Paris.

Prior to launching Edhec-Risk Advisory, Jean-René has spent several years in the City at various positions within Investment Banks and Management Consultancy firms. Jean-René began his career in Paris, where he supported the development of a software company specialized in portfolio management and led the consultancy activity of the firm.

Founded in 1906, Edhec Business School is a top-ranking, full range business school with campuses in Lille and Nice, France. One of the few institutions worldwide to have earned the "triple crown" of

international accreditations (AACSB, EQUIS, AMBA), Edhec Business School boasts the largest selection of English-taught management programmes in France and is recognised as a centre of excellence for asset management and alternative investment research. Drawing on its extensive knowledge of the professional environment, Edhec concentrates its research on the needs of professionals and pursues an active research policy in the field of finance. Several of its professors are regarded as international experts in the fields of asset management, fixed-income securities, alternative investments and risk management.

The FOA

The FOA is a European industry trade association for firms and institutions carrying on business in futures, options and other derivatives or which use such products in their business. Its principal role is to represent the interests of its members in the public and regulatory domain and deliver a wide range of support services to the core membership, which includes banks and financial institutions, brokers, commodity trade houses, energy and power market participants, fund managers, exchanges and clearing houses.

The FOA fulfils its role by:

- constructive liaison with regulators, government and other political and trade bodies at national, European and international levels;
- raising public awareness and understanding of the futures and options industry;
- producing standardised industry documentation, publications and guidelines;
- delivering training courses and workshops.

In Brussels the FOA was a founder member of the European Parliamentary Financial Services Forum (EPFSF) and is an active member of the EPFSF Advisory Committee. In the United Kingdom the FOA has initiated the establishment of an Associate Parliamentary Group (APG) on Wholesale Financial Markets and Services.

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