

**+49.54% since Sep. 2002: What happens if PhDs, Professors and national bank advisers get together to launch a hedge fund**

Matthias Knab reports from Tokyo: The guys from ProfitFundCom AG aren't the typical prop traders setting out to launch their hedge fund. The partners and advisers of the fund are seasoned academics, advisers to national banks and institutions as well as top ranked researchers or best selling authors who found out running a hedge fund is more fun than selling advise to them.

ProfitFundCom AG, a fund management firm based in the Principality of Liechtenstein with offices in Europe and Japan, is a joint venture between the Profit Group and PM Services AG, majority owned by Prince Michael von Liechtenstein. The company runs a Global Macro Fund as well as a Japan/Asia Equity Fund. Profit Research Center Ltd, Tokyo, is chief advisor to the funds of ProfitFundCom AG.

Original research by Profit Research Center Ltd reveals that general liquidity and not interest rates are the key to economic and currency cycles, and the results of the Global Macro Fund bear this out. The ProfitFundCom funds are based in the Principality of Liechtenstein, giving the client the benefit of minimal taxation and freedom from capital gains tax on invested assets. At the same time, the Principality of Liechtenstein's strict financial supervisory system and its location in the centre of Europe guarantee safety, transparency, reliability and efficiency.

Between February 1998 and February 2000, a predecessor of the current macro fund had appreciated by 309.50% after all fees, commissions and taxes, in US dollar terms. (This is not indicative of future performance and has been achieved during a period of exceptional growth in various markets.) The current Global Marco Fund was launched in January 2001 and, following a low-volatility style change in August 2002, is up 49.54% since September 2002 (2004 is 5.7% YTD). The fund invests in government bonds, currencies and equity indices in 36 markets. The fund is domiciled in Liechtenstein, can be settled through Euroclear and can be bought and sold using its unique ISIN number. The fund has no lock up, and provides full transparency and weekly NAV.

The company was founded by economist Richard A. Werner, who worked as a researcher for the Bank of Japan, Ministry of Finance of Japan, Nomura Research Institute, Japan Development Bank and the Institute of Economics and Statistics at the University of Oxford. He was previously a Professor for International Banking at Sophia University in Tokyo and is currently Reader in International Banking at University of Southampton in the UK. He was also a member of the asset allocation committee of the NTT

Group's \$6.2bn TelWel pension fund and chief economist at Jardine Fleming in Tokyo. In 2002, the World Economic Forum in Davos named Richard Werner a Global Leader for Tomorrow. Richard is also the author of several books on economics and central banks, including the no. 1 bestseller "Princes of the Yen" about Japan's central bankers.

Apart from Werner, two more high profile academics are involved with the fund: Steve Thomas, a professor of finance at University of Southampton, a director of Firecrest Hambro, a wealth management firm in London, and a Houblon Norman Fellow of the Bank of England; and Professor Richard Dale, who has been a Professor of International Banking and Financial Institutions since 1989. He currently is Emeritus Professor of International Banking at University of Southampton, having also worked at University of London and at the ISMA Centre at Reading University. A Senior Houblon Norman Fellow of the Bank of England, Professor Dale was also an Associate Director of NM Rothschild and Sons and a Rockefeller International Relations Fellow at the Brookings Institution. He has been a board member of the European Capital Markets Institute, consultant to the Financial Times and a member of the European Shadow Financial Regulatory Committee. In addition, Professor Dale is author of the best selling "The First Crash: Lessons from the South Sea Bubble".

What's the catch? AUM in the Global Marco Fund is at \$10m only, although the company says major allocations and distribution arrangements will be announced shortly. Great managers, bad marketers? To boost the marketing and coverage of the fund, the professors have included Stefan Nilsson as a senior member of the firm. Stefan is now based in ProfitFundCom's Tokyo office following a ten-year stint in London. In London his experience includes the positions of general manager of Hedge Funds World, the international event series for investors and hedge fund managers, as well as project manager at Euromoney Institutional Investor PLC. At ProfitFundCom Stefan is in charge of business development and client relations.