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## **HEDGE FUNDS LEADERS SAY INDUSTRY POISED TO EMERGE STRONGER**

**Balanced by concerns about regulation, end of global economic stimulus**

**NEW YORK – OCTOBER 26, 2009** – A panel of veteran and newly-launched hedge fund managers and investors at the fourth annual Gravitas Technology Tech Trends event forecast that 2010 would see a stronger alternative management sector.

The panelists' positive outlook was tempered by concerns about potential industry regulation and the impact of the winding down of government stimulus worldwide over the next 12 months.

"Things will change by this time next year," said Philip Vasan, Global Head of Prime Services and Capital Services for Credit Suisse, who moderated the panel. "We are learning and applying lessons from the financial crisis."

While the industry is expected to be stronger in the year ahead, it will also be different. Panelists said the days when two people in a garage can launch a hedge fund with a Bloomberg terminal are over, and that new firms now require a substantial in-house or outsourced infrastructure.

"This is a new era for hedge funds, one being defined by a more business-like approach," Gravitas CEO Jayesh Punater said. "We are seeing smarter, rather than bigger funds. Funds are looking at business success along with investment success while focusing on scalable costs and outsourcing non-proprietary functions."

The panel expressed concern not so much that the industry would be regulated, but that regulation is done correctly. When done right, panelists said, regulation might be good for the industry.

Keynote speaker Fareed Zakaria from CNN and Newsweek expressed concern about whether the global economy would sag again after the "IV drip" of the stimulus is removed next year.

### **About Gravitas Technology**

Gravitas Technology is a leading technology provider to the alternative investment industry and to financial services companies. Founded in 1996, Gravitas today provides business consulting services, software development and systems integration to hedge funds, private equity funds, brokerage firms, investment banks, traditional asset management firms and small and medium sized financial services firms. Gravitas is focused on providing clients with creative solutions to make their firms more efficient through outsourcing, colocation, disaster recovery and other innovative technological solutions. The company is based in New York with offices in Greenwich, Connecticut, Mumbai and Ahmedabad, India.  
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