

Hedge Fund ALERT

www.HFAlert.com

'Shadow Accounting' Service Offered

A consulting firm that advises emerging fund managers on non-investment operations has begun marketing a so-called shadow accounting service.

Start U Up, a Darien, Conn., firm led by **Jeff Glick**, has formed a partnership with fund administrator **ISIS Fund Services** to help managers verify periodic calculations of investment returns, risk, net asset values and investor account balances. The new offering, dubbed Total Back Office Solution, is designed to give investors an added layer of protection by double checking monthly reports managers obtain from fund administrators.

Glick, who bills himself as a so-called outsourced chief financial officer and chief operating officer, is pitching the new service to firms that want to institutionalize their investor-reporting functions but can't afford an in-house accounting staff. As a rule, funds with more internal controls have an easier time attracting capital from institutional investors.

Glick has shown the shadow-accounting service to a half dozen fund operators, each with \$20 million to \$100 million under management. Start U Up and ISIS wouldn't discuss pricing, other than to say managers will be charged on a project basis, rather than as a percentage of assets under management.

Before launching Start U Up in 2011, Glick worked at **Sagard Capital** and, before that, was chief financial officer at **Almaz USA**, which trades precious metals for the Russian government and a few other clients.

Bermuda-based ISIS, which also has an office in Charlotte, has about \$5 billion under administration. ❖

